County of Newaygo, Michigan

Comprehensive Annual Financial Report

Year Ended September 30, 2005

Michigan Deptartment of Treasury 496 (2-04) Auditing Procedures Report

Issued unde	er P.A. 2 of 1	968, as am	ended.							
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Audit Date 9/30/05			Opinion 12/14			Date Accountant Report Subi 3/22/06	mitted to State:			
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COUNTY OF NEWAYGO, MICHIGAN

List of Elected Officials September 30, 2005

COMMISSIONERS

Ronald W. Sanders, District 1 Rosswell H. Fulton, Jr., District 2 Stanley J. Nieboer, District 3 James F. Maike, Jr., District 4

Adam Wright, District 5
Timothy M. Purcell, District 6
Daniel D. Powell, District 7

COUNTY OFFICIALS

Laurel J. Breuker, Clerk Holly Moon, Treasurer Normal L. Ochs, Surveyor Cynthia J. Sullivan, Drain Commissioner

Chrystal Roach, Prosecutor Linda M. Landheer, Reg. of Deeds Michael S. Mercer, Sheriff

DISTRICT COURT JUDGE

H. Kevin Drake

CIRCUIT COURT JUDGES

Anthony A. Monton, Chief Judge Terrance R. Thomas

PROBATE COURT JUDGE

Graydon W. Dimkoff



Office of Administration

P.O. BOX 885 1087 NEWELL WHITE CLOUD, MICHIGAN 49349 FAX (231) 689-7205

March 1, 2006

Members of the Board and the Citizens of the County of Newaygo:

The Comprehensive Annual Financial Report of the County of Newaygo, Michigan, for the fiscal year ended September 30, 2005 is submitted herewith. The financial statements included in this report have been audited by Pridnia LaPres, PLLC, an independent firm of certified public accountants. The report is prepared for the purpose of disclosing the County's financial condition to its residents, elected officials, and other interested parties.

The financial statements have been prepared in compliance with applicable State statutes and Generally Accepted Accounting Principles (GAAP) as stated in the Governmental Accounting Standards Board statements and interpretations. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. As management, we believe that the data, as presented, is accurate in all material aspects, and that it is presented in such a manner as to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its funds.

The independent audit of the financial statements of the County of Newaygo was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the County of Newaygo's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of Newaygo's MD&A can be found immediately following the independent auditor's report.

REPORTING ENTITY AND ITS SERVICES

General Information

Until 1836, the Newaygo area was inhabited by mainly Native Americans. The lumbering industry took its foothold in the territory at this time and began drawing people into the area. In 1851, Newaygo became an official county of the State of Michigan. The estimated 2003 population was 49,271 with substantial growth expected for future years. Newaygo County encompasses an area of approximately 842 square miles and is located in the western Lower Peninsula. The County is comprised of 4 cities, 1 village, and 24 townships.

Newaygo County by Commissioner

	Lilley Twp 788	Home Twp. 261	Barton Twp. 620
		Morroe Two 324 Dist	Norwich Two 557
		Wilcox Twp. 1145	Goodvell Twp 551
	Sherman Twp. 2159		Big Provide Twp 2465
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The County is located in the west-central part of Michigan's Lower Peninsula. With 234 natural lakes and ponds, 356 miles of rivers and streams, and 349,132 acres of forest land, Newaygo County has become a prime area for recreational activities including hunting, fishing, canoeing/boating, hiking and camping. The County is also located in close proximity to the City of Grand Rapids, and is now part of the Grand Rapids Metropolitan Statistical Area.



The Board of Commissioners is the governing board and policy-making body of the County of Newaygo. While many of its powers, duties and responsibilities are prescribed by law, and diffused through the wide-spread use of commissions, boards, committees, and independently elected county officials, the Board is in charge of developing and approving County policy and setting the County budget. The County Administrator is responsible for carrying out the policies and ordinances of the Board of Commissioners, for overseeing day-to-day operations of the government, and for appointing the heads of various departments. The County's legislative body is a seven-member board which is elected from single-member districts, determined by population, on a partisan basis for two-year terms. The Board annually elects from within its ranks a Chairman and Vice-Chairman by majority vote.

The financial reporting entity of the County of Newaygo includes all funds and account groups of the primary government as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The County provides a full range of services that are either mandated by State statute, or authorized by the County Board of Commissioners. These services include legislative, judicial, public safety, public works, health, welfare, cultural, recreational, capital improvements, and general administrative services including vital statistics and record keeping for births, deaths, and property.

The County adopts its annual budget in accordance with the State Uniform Budgeting and Accounting Act. The general, special revenue and debt service funds are under formal budgetary control. All departments of the County of Newaygo are required to submit budget requests to the County Administrator. The Administrator then presents a proposed budget to the Board for review. The Board holds public hearings in September and a final budget is approved prior to September 30, the close of the County's fiscal year. The appropriated budget is prepared by fund and department. Management can do transfers within funds at the departmental level without the governing Board's approval. Transfer of appropriations between funds, however, requires Administrator and/or Board approval depending upon the amount.

Agriculture as a Key Industry

Agriculture is a key industry in Newaygo County and for many of our rural counties throughout the state. Agriculture is the biggest industry in Newaygo County, with tourism being a close second. Annually, Newaygo County farms produce over \$60 million in sales, nearly three times the rate of the state on a per capita basis. In addition, our single largest employer is engaged in agricultural food processing. In total, it is estimated that a least 20 percent of Newaygo County's direct economic output is tied to the agriculture industry. The indirect impact of the dollars circulating through the economy would raise the percentage even higher.

Newaygo County's largest employer, Gerber Products, is in the agricultural food processing business – best known for baby food. Gerber began as a family owned business in Fremont, Michigan in 1928. Today, Gerber Products is headquartered in New Jersey and is part of Novartis, a multi-national corporation headquartered in Switzerland.

ECONOMIC DATA FOR NEWAYGO COUNTY

The expansion and diversification of the Newaygo County economy continued in 2005 as employment, population and property values continued to climb. In general, the economic condition of the county is strong, especially in light of negative trends in manufacturing employment at the national and state level. Some of the highlights of the year include:

- > Continued strong growth in population
- > Strong increase in the number of residents with a job
- > A decrease in the county unemployment rate, for the second consecutive year.
- > Strong retention of existing manufacturing jobs.
- > Strong growth in equalized valuations.

Population

Newaygo County has been and continues to be one of the fastest growing counties in the State of Michigan and nation. From 1990 to 2000, the population of Newaygo County grew from 38,206 to 47,874, an increase of 9,668 or 25.3 percent. Just how strong has population growth been? During the 1990's, only 249 counties in the U.S. (out of 3,141) grew at a faster rate and added more people than Newaygo County. In Michigan, only two counties grew faster and added more people during this period.

The most recent estimate puts the population of Newaygo County at 49,892 as of July 1, 2004. This is an increase of 4.2 percent since the 2000 Census and represents a growth rate that is more than twice as fast as the state, and on par with the nation. The strong population growth of the past 10+ years is reflective of the outstanding quality of life that Newaygo County offers.

Employment

Employment trends in Newaygo County continue to be positive especially in light of the most recent national recession and continued slump in the manufacturing sector across the state and nation.

During 2005, employment based on residence in Newaygo County grew by 546 to a level of 21,612. This represents an increase over the previous year of 2.6 percent, faster than the state and U.S. at 0.9% and 1.8%, respectively. The number of unemployed residents fell by 104 during the year. The combination of job growth and a reduction in the number of unemployed persons lead to a significant decrease in the County's unemployment rate from 8.1 percent in 2004 to 7.5 percent in 2005. Newaygo County's unemployment rate in 2005 remained slightly above the state and national rate of 6.8 percent and 5.1 percent, respectively.

Given Newaygo County's close proximity to major employment centers in Grand Rapids and Muskegon, it is not too surprising that almost half of the labor force living in Newaygo County works outside our borders. This is also the result of people moving to Newaygo County and keeping their jobs in these other employment centers. However, job growth as measured by the place of business has also been very strong in Newaygo County over the last 10+ years. In fact, a study by Wayne State University showed that Newaygo County was one of only 19 counties in the state (9th overall) to add jobs from 2000 to 2003.

As compared to the state and nation, manufacturing employment in Newaygo County has fared quite well. Since 1999, manufacturing employment in the United States has fallen by about 23 percent and has dropped 29 percent in the State of Michigan. In contrast, manufacturing in Newaygo County has fallen just 3 percent during this period. Given this slight drop, the manufacturing employment in Newaygo County remains at or above 1990 levels. In fact, manufacturing employment actually increased by 2.4 percent in 2004 (last year of full data). Manufacturing employment has been bolstered by our concentration in manufacturing in non-durable goods that were not hit as hard by recessions and also by a strong retention program through the Newaygo County Economic Development Office (NCEDO) in partnership with state and local officials.

Employment performance in Newaygo County can be summarized as follows:

- > Impressive employment growth as measured by both place of residence and place of business
- > Strong overall manufacturing trends
- Relatively high, but declining, unemployment rate that is primarily due to strong local labor force growth over the last few years.

Major Employers

Employer	City	Product/Service	Employees
Gerber Products	Fremont	Baby Food	1,300
Dura Automotive	Fremont	Metal Stampings & Assemblies	535
Magna Donnelly Corporation	Newaygo	Automotive Doors & Mirrors	505
Gerber Memorial Health Services	Fremont	Health Care Services	470
Wm Bolthouse Farms	Grant	Vegetables	250 Seasonal
County of Newaygo	White Cloud	County Government	200
Wal-Mart	Fremont	Retail Department Store	195
Gerber Life Insurance Company	Fremont	Life Insurance	165
Newaygo Medical Care Facility	Fremont	Health Care Services	150
North American Refractories	White Cloud	Refractory Products & Furnace Linings	125
Pine Medical Group	Fremont	Health Care Services	110
Transitional Health Services	Fremont	Health Care Services	105
Valspar (Lilly) Industries	Fremont	Lubricants & Oil Additives	100
TOTAL EMPLOYERS	13	TOTAL EMPLOYEES	4,210

Source: Michigan Works! West Central

Property Values

According to the State of Michigan Department of Treasury, equalized values (50 percent of full market value) increased by 8.1 percent in Newaygo County in 2005 as compared to 5.9 percent for the state. Since 1999, equalized values in Newaygo County have grown 74.6 percent, which is also faster than the state growth rate of 59.3 percent.

Equalized values on a per capita basis were \$35,369 in 2005, as compared to \$41,151 for the state. Much of the differential between Newaygo County and the state is in commercial and industrial property values. This is fairly typical for a rural county like Newaygo. Commercial development typically follows population growth and Newaygo County is beginning to see an increase in commercial developments. A new Wal-Mart Super center is complete in Fremont and a new multi-tenant industrial development is underway in the City of Newaygo.

Technology

Newaygo County is one of the most technologically advanced rural areas in the Country! A fiber optic cable telecommunication network exists that supports data, video, and voice communication capabilities that are available to all county residents. The network connects schools, municipal buildings, libraries, the hospital, private non-profit agencies, and area businesses making accessible universal Internet connectivity, technology labs, two-way interactive video classrooms, and telecommunications services. Broadband Internet connections are available in most areas of the county through cable, DSL or wireless service.

FACTORS AFFECTING FINANCIAL CONDITION

Recovery from the recession that started in the first quarter of 2001 has been delayed in part due to uncertainties stemming from the war in Iraq including the possibility of terrorists' attacks here in the U.S. and the increasing price of oil. Currently there are three main factors that could further affect the state of the economy over the next few years: 1) continuing conflict in the Middle East; 2) minimal consumer spending; and 3) low factory production.

Michigan's economy has probably fared worst then most. The decrease in State Revenue and necessary budget cuts to provide a balanced budget which was already felt in the 2003-2004 fiscal years is expected to continue in 2005.

The federal and state budget deficits continue to remain at a crisis level and therefore the shifting of activities and requirements to the local level continues to be an issue. Although those at the Federal and State level continue to try and fund some of these items, we continue to experience a significant loss in support, but not a reduction in requirements. Newaygo County continues to strive to create a stable financial future. However, as revenues continue to decrease corresponding reductions in services will inevitably follow.

MAJOR INITIATIVES

Facility and Related Improvements

The County funded several major maintenance initiatives for the campus between 2003-2005:

- Replaced two Roof tops on the Jail: Cost of the replacement was over \$33,000.
- Installed a new air conditioner in the Server Room in the Administration Building at a cost of \$7,234.
- A new generator was added to the Jail at a cost of \$78,500.

- New air conditioning units in the Animal Shelter at a cost of \$10,310.
- New air conditioning in the Sheriff's Department at a cost of \$5,240.
- Rooftop unit replacement on the Courthouse at a cost of \$52,398.
- Reheat coils in the Administration Building at a cost of \$9,502.
- New entry doors in the Administration Building at a cost of \$1,350.

Technology Updates and Program Changes between 2003 - 2005

• New County Financial Software:

In 2003, the County finished evaluating the possible financial software systems that were available and chose New World Systems as the financial software for Newaygo County. The first phase was to implement accounts payable and the general ledger starting in October, the beginning of our fiscal year. We began the project in July of 2003 and successfully implemented general ledger and accounts payable systems. We continued by implementing the payroll system which integrates with the other financial programs. That was completed and operational with the first payroll in 2004. As with any major changes in computer software, there were glitches and problems that needed to be resolved. Everyone was aware of these possibilities prior to implementation and although the systems were trying at times, we believe that this will be a long term success story for the financial systems of Newaygo County. It will allow better and more complete financial analysis and they will actually save money because of less need for highly technical computer programmers to operate the system.

• 800 MHz Grant:

Newaygo County received a \$298,000 grant from the federal government Homeland Security to purchase 800 MHz radios that could be tied into the State's 800 MHz system. The program was initiated by our police and Central Dispatch to enhance the communications within our public safety system. We believe this system will provide for more safety for our police officers, better and clearer communications network. In fact, this system has been tested and the portable radios are so efficient that there is a 98% communication capability within the County. There are very few dead spots and the enhanced access allows the public safety officers to communicate at a very high level while in buildings. The collaboration between the State Police allowing the County to use its towers for the 800 MHz system coupled with the grant and the ability to provide the 800 MHz radios to all police within the County has enhanced Newaygo County Public Safety personnel's abilities to provide better public safety.

Upgrade of Data Cabling Wiring:

We upgraded the data cabling wiring in the Courthouse complex to allow for the enhanced speed capabilities for the digital network. The Courts received a grant to enhance their data capabilities, but this grant only covered a portion of the Courthouse system. The County supplemented the grant to upgrade the entire Courthouse to the most current wiring system available.

Upgrade of Data Backup and Storage System

The County upgraded its data storage and backup system during the 2005 year. This has provided for the better management of data and has allowed for future growth. In addition, improved backup of critical data is automated, consistent, and more reliable.

Economic Development and Grant Programs

• Economic Development:

Economic Development is one of the major programs that will build long term structural support for the County's economic base. It will help build the foundation for the County to proceed over the growth years that are coming.

Grants Program:

The County has created a grants initiative program where townships, cities, and county departments can be assisted by our Economic Development Coordinator and our Land Use Educator in submitting grant applications for projects that have been evaluated by the grant initiative team and are deemed to be projects that could be successful in receiving grant monies.

Respectfully submitted,

Jako Co Lake

Tobi G. Lake

County Administrator

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Responsibility for the integrity of the financial data presented rests with the County. I believe the data to be accurate in all material aspects. These financial statements are prepared in accordance with Generally Accepted Accounting Principles applicable to county government and State statutes.

The County maintains a system of internal controls to provide reasonable assurance that the books and records reflect authorized transactions of the County.

Pridnia LaPres, PLLC, independent certified public accountants, have audited the accompanying financial statements, and the supplemental financial information has been subjected to the auditing procedures applied in their audit. Pridnia LaPres, PLLC's report is included in the financial section of this report.

Tobi G. Lake

Jalo Co Lah

Administrator

ACKNOWLEDGEMENT

I would like to express our gratitude to all members of the Newaygo County Board of Commissioners for their interest and support in planning and conducting financial operations of the County of Newaygo in a responsible and progressive manner.

Sincerely,

Tobi G. Lake

Administrator



3145 Henry Street, Ste. 200 Muskegon, MI 49441-4052 Tel: 231-739-9441 fax: 231-733-0031 www.pridnialapres.com

Independent Auditors' Report

To the Board of Commissioners of the County of Newaygo, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Newaygo, Michigan, as of and for the year ended September 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Newaygo's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above do not include the financial activities of the County Road Fund and the Medical Care Facility Fund which should be included to conform with accounting principles generally accepted in the United States. It is not known what effect omitted component units' assets and revenues would have on the financial statements.

In our opinion, except for the departures described above, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Newaygo, Michigan, as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2005, on our consideration of the County of Newaygo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants, agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, budgetary comparison information and schedule of funding progress on pages 21 through 30 and pages 80 through 83 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Newaygo's basic financial statements. The combining funds statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining funds statements and schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Muskegon, Michigan December 14, 2005

Priduia CaPres, PLLC

Management's Discussion and Analysis

As management of the County of Newaygo, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 5-13, of this report.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$24,978,359 (net assets). Of this amount, \$13,022,922 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- 2 As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$5,260,601. Approximately 76% of this total amount or \$3,973,113 is available for spending at the government's discretion (unreserved and undesignated fund balance).
- 3 At the end of the fiscal year, unreserved and undesignated fund balance for the general fund was \$379,558 or 2.9 percent of total general fund expenditures (including operating transfers).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of Newaygo County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include legislative, judicial, general government, public safety, public works, health and welfare, community development, recreational and culture, and other functions. The business-type activities include the administration of the delinquent property tax system.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also includes one legally separate entity: Newaygo County Central Dispatch Authority (E-911). Financial information for the *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 31-33 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 52 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, county jail, public works construction, drain, and special assessments, each of which is considered to be a major fund. Data from the other 47 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general, special revenue, debt service, capital projects and permanent funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 34-37 of this report.

Proprietary funds. The County maintains two types of proprietary funds. Enterprise funds report the same functions as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for the delinquent tax revolving fund (516-516995).

The County maintains internal service funds to account for and allocate costs internally among the County's various functions. The County uses 21 internal service funds to account for the following functions: information services, duplicating, telecommunications, equipment pool, building and grounds, campus security and protected self-funded insurances (both liability and employee fringe benefit insurances to employees). Because these services predominantly benefit governmental functions, they have been included with governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 40-43 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 44-45 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 51-78 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This is limited to combining statements and schedules. Combining and individual fund statements and schedules can be found on pages 84-131 of this report.

GOVERNMENTAL WIDE FINANCIAL ANALYSIS

Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Newaygo County, assets exceeded liabilities by \$24,978,359 at the close of the most recent fiscal year.

Statement of Net Assets:

	Governmental Activities	mental rities	Busine	Business-type	E	
	2003-2004	2004-2005	2003-2004	2007 2005	I OTAL	
			1007-0007	C007-4007	2003-2004	2004-2005
Current and other assets Capital assets	\$18,632,031 13,149,296	\$19,403,118 12,918,391	\$8,601,239	\$8,529,841	\$27,233,270	\$27,932,959
Total Assets	31,781,327	32,321,509	8,601,239	8,529,841	40,382,566	40.851.350
Long-term Liabilities outstanding Other Liabilities Unearned Revenues	10,650,127 3,457,592 325,209	10,484,211 3,487,055 335,032	1,865,000	1,566,693	12,515,127	10,484,211 5,053,748
!					525,209	335,032
Total Liabilities	14,432,928	14,306,298	2,430,566	1,566,693	16,863,494	15,872,991
Net Assets: Investment in Capital						
Assets, Net of related debt Restricted	10,769,296	10,288,391		•	10,769,296	10,288,391
Unrestricted -	4,997,907	6,059,774	6,170,673	6,963,148	1,581,196 11,168,580	1,667,046 13,022,922
Total Net Assets	\$17,348,399	\$18,015,211	\$6,170,673	\$6,963,148	\$23,519,072	\$24,978,359

The largest amount of County net assets is cash and investments with capital assets a very close second. This level of cash and investments is considered favorable as most entities report capital assets as their largest asset.

Capital assets include land, buildings, vehicles and equipment less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt should be provided from other sources, since the capital assets themselves cannot readily be used to liquidate these liabilities. The County levies dedicated mileages in the winter (December) and, in accordance with State statute, has begun to move the County's general operating tax levy from the winter to the summer (July). The shift started with a 1/3rd levy in July 2005 and will be complete by the July 2007.

In addition to the net assets invested in capital assets, net of debt, certain other restrictions on the use of net assets apply due primarily to legal guidelines. These restricted net assets total \$1,667,046. The remaining balance of *unrestricted net assets* (\$13,022,922 or 52%) may be used to meet the government's ongoing <u>obligations</u> to citizens and creditors.

County of Newaygo Changes in Net Assets

	Governmental Activities	mental ities	Business-type Activities	s-type ities	Total	[æ
	2003-2004	2004-2005	2003-2004	2004-2005	2003-2004	2004-2005
Revenues:						
Program revenue:	:					
Charges for services	\$7,625,710	\$4,415,814	\$260,441	\$170,827	\$7,886,151	\$4,586,641
Operating Grants and contributions	3,662,264	3,398,747	1	•	3,662,264	3,398,747
Capital grants	•	140,944	•	•		140,944
General revenues:						•
Property taxes	7,173,439	9,717,586	•	•	7.173.439	9 717 586
Grants and contributions not restricted to						200613162
specific programs	1,418,783	1,831,724		•	1 418 783	1 821 724
Investment earnings	171,050	152,331	•	•	171 050	150 321
Other	1,898,089	746,598	1.317.907	1.884.830	3 215 996	7 631 478
Total revenues	21.949.335	20.403.744	1 578 348	7 055 657	12 617 693	27 450 401
Expenses:	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		orces set	10060006	43,341,003	104,464,401
Legislative	278.898	268.695		1	778 808	307 076
Judicial	3 136 563	3 106 442		•	210,070	2,00,093
General government	3 074 455	2,100,442	•	•	3,130,303	3,106,442
	5,0/4,455	7,017,07/	•	•	3,074,455	3,812,627
Public safety	6,514,415	6,634,820	•		6 514 415	008 129 9
Public works	3,649,120	927,170	•		3,540,120	0,024,620
Health and welfare	6,000,546	4,406,196	•		5,043,120	4 406 196
Community Development	109,293	396,245	•		100,003	304,130
Recreational and culture	325,033	276,405	•		325,033	376,243
Other	203,337	305,382	-		755,500	205.302
Debt Service Interest	420,088	400 445		•	420,0337	203,382
Other Proprietary Funds	000	000	757 639	545 914	757 639	545 014
Total expenses	23.711.748	20 534 427	757 630	EAE 014	20,101	417,040
Increase in net assets before transfers to	2000	1716100607	131,039	343,914	74,409,38	21,080,341
other funds and component units	(1.762.413)	(130,683)	820 709	1 509 743	(407 1704)	1 270 050
Transfers	354,877	797.495	(302,567)	(717.268)	52 310	80,227
Change in net assets	(1,407,536)	666 817	519 147	207,177	010,70	177,00
Net assets, beginning of year	18 755 935	17 348 300	241,016	(14,76)	(889,394)	1,459,287
	0076001601	11,340,377	3,032,331	6,1/0,6/3	24,408,466	23,519,072
Net assets, end of year	\$17,348,399	\$18,015,211	\$6.170.673	\$6.963.148	523 519 072	674 078 350
					Tracket a	100,001,000

Governmental Activities

The Statement of Activities shows that the primary government's net assets increased by \$666,812 in 2005. When the funds are looked at individually we find the general fund added nearly \$50,000 to fund balance and the non-major funds nearly doubled their collective fund balances from \$2,365,830 (2004) to \$4,443,120 (2005). Although the non-major funds saw a significant increase in fund balances, over \$1.5 million was related to the revenue sharing reserve and sanitary sewer construction funds and there were several projected uses of designated fund balance among the non-major funds.

Revenues:

Program charges for services

Program charges for services activity totaled \$4,415,814. The amount was generated by general fund charges of \$1,847,845, county jail charges of \$1,251,495, and non-major fund charges of \$1,316,474. The total marks a significant drop from the previous year, where special assessments as deferred revenue included \$3,215,515.

Program operating grants and contributions

A major portion of this activity is generated in the general fund consisting of the court equity funds and of the special revenue fund amounts like friend of the court, community development, child care and social services. A noticeable decrease from 2004 is evidence of the State of Michigan's elimination of revenue sharing payments.

Property taxes

Taxes totaled \$9.7 million in 2005, compared with \$7.2 million in 2004 and \$6.8 million in 2003. While part of the increase is due to gains throughout the county in taxable value from new construction, the main reason for such a significant increase involves the state's decision to move county property tax collection from the winter to the summer.

Investment earnings

Investment earnings remained low in 2005 and were attributable to weak financial markets and fluctuations in cash balances.

Expenses:

Legislative Expenses

Legislative expenses were \$268,694.

Judicial Expenses

Judicial expenses were \$3,106,442 which included general fund expenditures and non-major other governmental funds. The main components of the expenditures were:

General Fund \$2,397,008 Non major (FOC) \$ 581,594

The judicial expenditures were 21% of the total expenditures for the general fund (including operating transfers). The percentage is not inconsistent with the previous years' totals.

General Government Expenses

General government expenses were \$2,908,131. Within the general fund the general government category totaled \$2,739,087, equating to 24% of the total expenditures (including operating transfers). This presented total is consistent with previous years'. Some of the departments included within the general government category include the Prosecutor, Administrator, Accounting, County Clerk, Budget, Treasurer, Equalization, Personnel, and Payroll. The largest expenditure within the general government category is the Prosecutor at \$658,859 approximately 24% of the total.

Public Safety Expenses

Public safety expenses totaled \$6,139,871, of which \$734,656 was in the general fund, \$2,781,995 was in the jail fund, and \$2,623,220 was within the non-major governmental funds. The larger amounts in the non-major governmental funds represent the Sheriff's road patrol in the amount of \$1,213,198; the Building Inspection Department at \$428,497; the Animal Control Department at \$144,500; County Jail Trustee Management at \$123,066; Emergency Services at \$242,162 and the Transportation Fund for the Jail at \$146,211.

Public Works Expenses

Public works expenses were \$175,524. The public works expenses reflect a drop from previous years'. The drop is attributable to the completion of the construction of the Chain of Lakes Project.

Health and Welfare Expenses

Health and welfare expenses totaled \$4,193,712. The general fund amount was \$765,263; the Non-Major Funds totaled \$3,428,449. The major expenditure items in that category involved the Commission on Aging at \$1,468,412, Social Services at \$684,459, and Child Care at \$1,152,383.

Community and Economic Development Expenses

Community and economic development expenses were \$380,869 which includes programs related to economic development, energy grants, planning and zoning, land use, and senior citizens handicap grants and loans. The general fund amount was \$102,225 and the Non-Major Funds totaled \$278,644. These programs relate to either housing projects for senior citizens and low income individuals, activity to expand the economic activity within the County, or land use and planning issues.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier the County of Newaygo uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the County's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in accessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The County general fund is the chief operating fund of the county. At the end of the fiscal year the County's ending fund balance for the general fund was \$1,074,508. The fund balance increase was relatively insignificant in scope, but reflects continued efforts on behalf of Administration and County departments to develop accurate budgets and operate within them.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund amended budget revenues reflect increased revenue as a result of a change in State statute. Just prior to the beginning of the 2004-2005 fiscal year, legislation was passed that eliminated state revenue sharing payments and required a shifting of the tax levy. The legislation mandated a full winter levy in December of 2004 and a 1/3rd levy in July of 2005. The mandate called for a cut in revenue sharing payments and the establishment of a designated fund for the extra 1/3rd levy. The amended budget reflects the County's reactions to those items.

The final amended general fund budget called for \$13,521,125 in revenues and transfers in and \$13,404,715 in expenditures and transfers out and an addition to undesignated fund balance of \$116,410.

The decline in the economy for the State of Michigan and budget cuts at the federal level have presented problems associated with predicting the State and Federal grant and pass-through dollars. In addition, low interest rates relative to investments have contributed to the investment shortfall.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The County's investment in capital assets for its governmental activities as of September 30, 2005 amounted to \$12,918,391 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and improvements, machinery and equipment, and vehicles.

Many major capital assets were attained for the seven buildings located on the County campus during the previous fiscal year including the following:

- Installed a new air conditioner in the Server Room in the Administration Building at a cost of \$7,234.
- A new generator was added to the Jail at a cost of \$78,500.
- New air conditioning units were added to the Animal Shelter costing \$10,310.
- New air conditioning units at the Sheriff's Department at a cost of \$5,240.
- A rooftop unit replacement on the Courthouse cost \$52,398.
- Reheat coils were added to the Administration Building at a cost of \$9,502.

County of Newaygo's Capital Assets

(Net of Depreciation)

	2004-2005	2003-2004	2002-2003
Land and land improvements	\$1,259,331	\$1,274,361	\$1,264,882
Buildings and Construction	\$10,467,570	\$10,725,769	\$10,681,444
Office Equipment	\$991,338	\$949,109	\$1,053,405
Vehicles	\$200,152*	\$200,057*	\$669,385

^{*}Note: The deprecation schedule for 2002-2003 was based on 8 years depreciation. The 2003-2004 and 2004-2005 schedule was based on 3 years depreciation.

Additional information on the County's capital assets can be found in note 5 on page 67 of this report.

Long-term debt:

At the end of the current fiscal year, the County had outstanding bonds in the amount of \$9,775,000. At a minimum all the bonds are backed by the County's faith and credit.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the County is \$176,466,525, which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in note 6 beginning on page 69 of this report.

ECONOMIC FACTORS AND BUDGETS AND RATES FOR 2006

The following factors were considered in preparing the County's budget for the 2006 fiscal year.

- The deterioration of the State's economy will likely result in additional decreases in state funding. The actual magnitude of the decrease will depend on the economy within the State of Michigan and continued budgetary cuts at the federal level.
- Highlights of the 2005-2006 budget are as follows:
- Full implementation of a Maximus cost study report for tailing internal service fund costs.
- Significant cost increases in the area of health care.
- Renewed efforts to attain the most accurate portrait of revenues and expenditures in the budget development phases.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Tobi G. Lake, Administrator, 1087 Newell Street, P.O. Box 885, White Cloud, Michigan 49349.

Statement of Net Assets

	Pr	imary Governm	nent	
		Business-	iont	T-4-1
	Governmental	Type		Total
September 30, 2005	Activities	Activities	Total	Component Units
		120411405	10141	Cints
Assets			•	
Cash and cash equivalents	\$ 7,691,213	\$ 1,595,156		\$ 163,521
Investments	1,848,964	3,596,599	5,445,563	-
Receivables				
Accounts	1,188,834	375,000	1,563,834	69,172
Intergovernmental	1,516,561	-	1,516,561	32,000
Delinquent taxes	-	2,532,557	2,532,557	-
Special assessments	7,145,000	-	7,145,000	-
Restricted asset	437,264		437,264	-
Prepaid items	7,555	· -	7,555	-
Internal balances	(432,273)	430,529	(1,744)	-
Capital assets, net of accumulated				
depreciation (Note 5)	12,918,391	_	12,918,391	215,120
Total Assets	32,321,509	8,529,841	40,851,350	479,813
Liabilities				
Checks issued against future deposits	2,764,369	1,561,302	4,325,671	, -
Payables				
Accounts	474,000	5,087	479,087	604
Intergovernmental	78,000	-	78,000	-
Accrued liabilities	170,686	304	170,990	9,138
Long-term debt (Note 6)			ŕ	,
Due within one year	1,334,211	-	1,334,211	-
Due in more than one year	9,150,000	-	9,150,000	-
Unearned revenues	335,032	-	335,032	-
Total Liabilities	14,306,298	1,566,693	15,872,991	9,742
Net Assets				•
Investment in capital assets, net of related debt	10,288,391	-	10,288,391	215,120
Restricted for special revenues	1,667,046	-	1,667,046	171,001
Unrestricted	6,059,774	6,963,148	13,022,922	83,950
Net Assets	\$ 18,015,211	\$ 6,963,148	\$ 24,978,359	\$ 470,071

			Program Revenues		
Year ended September 30, 2005	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Primary Government					
Government activities		_	_		
Legislative	\$ 268,694	\$ -	\$ -	\$ -	\$ -
Judicial	3,106,442	860,902	1,031,179	• •	1,892,081
General government	3,812,627	1,133,368	555,721	-	1,689,089
Public safety	6,634,820	1,934,261	307,299	-	2,241,560
Public works	927,170	8,134	-	-	8,134
Health and welfare	4,406,196	219,697	1,504,548	-	1,724,245
Community development	396,245	-	-	-	-
Recreational and culture	276,405	259,452	•	-	259,452
Other	305,382	-	-	-	-
Debt service		-	-	-	-
Interest	400,445	_	-	-	
Total Government Activities	20,534,427	4,415,814	3,398,747	-	7,814,561
Business-Type Activities					
Other Proprietary Funds	545,914	170,827	· · · · · · · · · · · · · · · · · · ·	-	170,827
Total Primary Government	\$21,080,341	\$4,586,641	\$3,398,747	\$ -	\$7,985,388
Component Units Central Dispatch Authority 911 Service	\$ - 850,482	\$ - 790,153	\$ - 121,369	\$ -	\$ - 911,522
Total Component Units	\$ 850,482	\$ 790,153	\$ 121,369	\$	\$ 911,522

General Revenues

Taxes

Licenses and permits

Special assessments

Fines and forfeits

Contributions from local and private sources

Rents

Interest income

Reimbursements

Land sale proceeds

Other

Transfers

Total General Revenues, Special Items, and Transfers

Change in Net Assets

Net Assets, beginning of year, as restated (Note 18)

Net Assets, end of year

Statement of Activities

		venue and Changes i	
Tota		D ' M	*
Componer Unit	Total	Business-Type	C
Om	- Total	Activities	Governmental
r.	4. (0.00 (0.4)		
\$	\$ (268,694)	\$ -	\$ (268,694)
	(1,214,361)	-	(1,214,361)
	(2,123,538)	• -	(2,123,538)
	(4,393,260)	-	(4,393,260)
	(919,036)	•	(919,036)
	(2,681,951)	-	(2,681,951)
	(396,245)	-	(396,245)
	(16,953)	•	(16,953)
	(305,382)	-	(305,382)
	(400,445)	_	(400,445)
	(12,719,866)	· -	(12,719,866)
	(375,087)	(375,087)	*
	(13,094,953)	(375,087)	(12,719,866)
61,040			
61,040			
	9,717,586	-	9,717,586
	40,632	-	40,632
	140,944	•	140,944
•	96,381	-	96,381
•	1,831,724	-	1,831,724
•	526,017	331,180	194,837
•	152,331	204.972	152,331
	551,936 309,491	294,872 309,491	257,064
_	1,106,971	949,287	157,684
(80,227	80,227	(717,268)	797,495
(80,227	14,554,240	1,167,562	13,386,678
(19,187	1,459,287	792,475	666,812
489,258	23,519,072	6,170,673	17,348,399

	Genera	l County	Public Work
	Fund		Constructio
September 30, 2005	(101)		(465
<i>September</i> 30, 2003		(213)	(403
Assets			
Cash and cash equivalents	\$ 655,664	\$ -	\$ 24,351
Investments	1,848,964		•
Due from other governments	754,522	199,896	
Taxes and other receivables	24,385	16,028	-
Special assessments	,	-	-
Restricted asset	-	-	-
Prepaid expenses	7,555	-	-
Due from other funds	300,000		-
Total Assets	\$3,591,090	\$ 215,924	\$ 24,351
Liabilities and Fund Balances Liabilities			_
Checks issued against future deposits	\$2,309,286	\$ 158,877	\$ -
Accounts payable	139,881	30,824	Ψ .
Accrued wages payable	65,671	26,094	_
Deferred revenues	-		_
Due to other governments		-	_
Due to other funds	1,744	-	
Total Liabilities	2,516,582	215,795	-
Fund Balances (Deficits)			
Unreserved			
Designated for programs	694,950	_	_
Undesignated Undesignated	379,558	129	24 251
			24,351
Total Fund Balances (Deficits)	1,074,508	129	24,351
	\$3,591,090		

Amounts reported for Governmental Activities in the Statement of Net Assets are different because:

Capital assets used for governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.

Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and equipment leasing to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Government-Wide Statement of Net Assets.

Deferred revenue in Special Assessments is recognized on the full accrual basis in the Government-Wide Financial Statements.

Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the Governmental Funds Balance Sheet.

Net Assets of Governmental Activities

Governmental Funds

Balance Sheet

	Special	Non-Major	Total
Drain	Assessments	Governmental	Governmental
(801)	(852)	Funds	Funds
#254.0 60	ф	#2 454 19 2	m 4200 557
\$254,060	\$ -	\$3,454,182	\$ 4,388,257
-	-	550,695	1,848,964 1,505,113
245,711	-	899,800	1,185,924
243,711	7,145,000	699,600	7,145,000
-	7,145,000	437,264	437,264
-	_	-	7,555
	-	174,926	474,926
\$499,771	\$7,145,000	\$5,516,867	\$ 16,993,003
			_
Φ.	•		
\$ -	\$ -	\$ 296,206	\$ 2,764,369
-	-	237,492	408,197
- 245 711	7 145 000	61,454	153,219
245,711	7,145,000	89,321 78,000	7,480,032 78,000
535,567	<u>-</u>	311,274	848,585
781,278	7,145,000	1,073,747	11,732,402
		500 505	1 407 400
-		592,538	1,287,488
(281,507)	-	3,850,582	3,973,113
(281,507)	-	4,443,120	5,260,601
\$499,771	\$7,145,000	\$5,516,867	

12,431,513

3,662,308

7,145,000

(10,484,211)

\$ 18,015,211

	General	County	Public Works	
	Fund	Jail	Construct	tion
Year ended September 30, 2005	(101)	(213)	(4)	65)
Revenues				
Taxes	\$ 8,086,509	\$ -	\$	-
Licenses and permits	40,632	-		-
Federal grants	99,582	-		-
State grants and distributions	1,024,791	-		-
Charges for services	1,847,845	1,251,495		-
Contributions from local units	139,040	-		-
Special assessments	-	-		-
Fines and forfeits	95,218	_		-
Contributions from private sources	5,170	-		
Rents	194,687	_		-
Interest income	71,173	-	8,14	42
Reimbursements	36,781	87,947	,-	_
Other	23,405	134,279		_
Total Revenues	11,664,833	1,473,721	8,14	42
Expenditures				
Legislative	258,268	-		-
Judicial	2,397,008	-		_
General government	2,739,087			-
Public safety	734,656	2,781,995		_
Public works	11,702	2,701,772	5,69	34
Health and welfare	765,263	_	5,07	· -
Community and economic development	102,225			_
Recreation and culture	102,223	_		Ī
Capital outlay	168,982	-	735,31	17
Capital outay Debt principal payments	100,902	-	/55,51	. /
	-	•		-
Interest and fiscal charges	205 292	•		-
Other Tatal France distance	305,382	2 791 005	741.01	<u>-</u>
Total Expenditures	7,482,573	2,781,995	741,01	
Revenues Over (Under) Expenditures	4,182,260	(1,308,274)	(732,86	19)
Other Financing Sources (Uses)				
Proceeds from issuance of long-term debt	-	-		-
Transfers in	1,281,162	1,264,181		-
Transfers out	(5,413,628)			-
Total Other Financing Sources (Uses)	(4,132,466)	1,264,181	****	_
Revenues and other sources over (under) expenditures				
and other uses	49,794	(44,093)	(732,86	(0)
	-	• • •	, .	-
Fund Balance, at beginning of year	1,024,714	44,222	757,22	0
Fund Balance, at end of year	\$1,074,508	\$ 129	\$ 24.35	1_

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balance

Total	Non-Major	Special	
Governmental	Governmental	Assessments	Drain
Funds	Funds	(852)	(801)
\$ 9,717,586	\$ 1,631,077	\$ -	\$ -
40,632	•	-	•
927,770	828,188	-	-
2,470,977	1,446,186	-	-
4,415,814	1,316,474	-	-
1,153,425	330,597	683,788	· •
324,141	88,534	-	235,607
96,381	1,163	-	. •
678,299	673,129	-	-
194,837	150	-	-
152,331	64,028	-	8,988
257,064	132,336	-	-
157,684	•	<u> </u>	
20,586,941	6,511,862	683,788	244,595
258,268	•	-	-
2,985,413	588,405	-	-
2,908,131	169,044	-	-
6,139,871	2,623,220	-	-
175,524	158,128	-	-
4,193,712	3,428,449		-
380,869	278,644	-	-
253,244	253,244	-	•
1,370,382	224,029	-	242,054
590,000	215,000	375,000	-
400,445	91,657	308,788	-
305,382	•	-	<u> </u>
19,961,241	8,029,820	683,788	242,054
625,700	(1,517,958)	-	2,541
490,000	490,000		_
6,616,438	4,071,095		-
(6,379,475)	(965,847)	<u> </u>	
726,963	3,595,248	_	
120,703	J ₉ J J J ₉ L 10		
1,352,663	2,077,290	•	2,541
3,907,938	2,365,830	-	(284,048)
\$ 5,260,601	\$ 4,443,120	\$ -	\$ (281,507)

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year ended September 30, 2005	
Net Change in Fund Balances – Total Governmental Funds	\$ 1,352,663
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlay Depreciation expense	275,157 (472,035) (196,878)
The repayment of long-term debt consumes current financial resources but does not affect net assets.	590,000
The issuance of long-term debt provides current financial resources but does not affect net assets.	(490,000)
The accrual of compensated absences does not consume current financial resources but does reduce net assets, therefore, they are not reported in governmental funds Special assessments for repayment of limited obligation debt is recognized	65,916
as revenue on the full accrual basis in the government-wide statements but is deferred under the modified accrual basis.	(183,198)
The net revenue of certain activities of internal service funds is reported with governmental activities.	(471,691)
Change in Net Assets of Governmental Activities	\$ 666,812

Proprietary Funds

Statement of Net Assets

	•	
		Governmenta
		Activities
	Non-Major	Internal
	Proprietary	Service
September 30, 2005	Funds	Funds
Assets		
Current Assets	ф 1 <i>505 156</i>	e 2 202 056
Cash and cash equivalents	\$ 1,595,156	\$ 3,302,956
Investments	3,596,599	11 440
Due from other governments	275 000	11,448
Taxes and other receivables	375,000	2,910
Due from other funds	23,000	•
Total Current Assets	5,589,755	3,317,314
Non-current Assets		
Property and equipment	-	2,006,673
Accumulated depreciation	-	(1,519,795)
	-	486,878
Long-term advances to other funds	407,529	-
Delinquent taxes receivable	2,532,557	-
Total Assets	8,529,841	3,804,192
Total Assets	0,020,011	2,001,122
Liabilities and Net Assets		
Liabilities	•	
Current Liabilities		
Checks issued against future deposits	1,561,302	-
Accounts payable	5,087	65,803
Accrued wages payable	304	17,467
Due to other funds	•	51,614
	1,566,693	134,884
Non-Current Liabilities		•
Long-term advances from other funds		7,000
Total Liabilities	1,566,693	141,884
1 Own Limited	2,000,000	
Net Assets		
Investment in capital assets, net of related debt	-	486,878
Unreserved	6,963,148	3,175,430
	\$ 6,963,148	\$ 3,662,308

Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Assets

		Governmental
		Activities
	Non-Major	Internal
Year ended September 30, 2005	Proprietary Funds	Service Funds
		Tunas
Operating Revenues		
Land sale proceeds	\$ 309,491	\$ -
Charges for services	170,827	1,610,985
Rents	331,180	-
Interest and penalties on delinquent taxes	949,287	-
Interest	-	67,859
Reimbursements	294,872	2,472,455
Other		6,969
Total Operating Revenues	2,055,657	4,158,268
Operating Expenses		
Supplies and operating expenses	126,436	4,936,927
Interest expense	17,492	1,550,527
Depreciation	-	253,564
Land sale disbursements	401,986	-
Total Operating Expenses	545,914	5,190,491
Operating Income (Loss) before Transfers	1 500 742	
operating moone (1988) before Transiers	1,509,743	(1,032,223)
Transfers		
Transfers in	-	975,830
Transfers out	(717,268)	(415,298)
Total Transfers	(717,268)	560,532
Net Income (Loss)	792,475	(471,691)
Net Assets, at beginning of year	6,170,673	4,133,999
Net Assets, at end of year	\$ 6,963,148	\$ 3,662,308

Proprietary Funds

Statement of Cash Flows

		<u> </u>
		Governmental
		Activities
	Non-Major	Internal
	Proprietary	Service
Year ended September 30, 2005	Funds	Funds
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 3,499,710	\$ 4,101,497
Payments to suppliers	(1,029,292)	(3,697,523)
Payments to employees	(25,582)	(1,198,679)
Payments for interfund services used	(316,356)	(1,470,517)
Interest income	128,881	67,859
Net Cash Provided by (Used for) Operating Activities	2,257,361	(2,197,363)
Cook Elema from Conital Impacting Activities		
Cash Flows from Capital Investing Activities Purchase of investments	(97,354)	_
Proceeds from sales and maturities of investments	319,654	1,230,115
Long-term advances to other funds	21,453	1,230,113
Net Cash Provided by Investing Activities	243,753	1,230,115
·		
Cash Flows from Non-Capital Financing Activities Transfers from other funds	_	848,364
Transfers from other funds Transfers to other funds	(717,268)	(287,832)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(717,268)	560,532
Net Cash Frovided by (Osed for) Non-Capital Financing Activities	(717,200)	500,552
Cash Flows from Capital and Related Financing Activities		
Repayment of long-term advances	-	(3,500)
Principal payment on long-term debt	(1,865,000)	-
Proceeds from sale of fixed assets	-	3,664
Purchases of fixed assets	-	(223,202)
Net Cash Used for Capital and Related Financing Activities	(1,865,000)	(223,038)
Decrease in Cash	(81,154)	(629,754)
Cash, at beginning of year	1,676,310	3,932,710
Cash, at end of year	\$ 1,595,156	\$ 3,302,956

Proprietary Funds

Statement of Cash Flows

		Governmental Activities
Year ended September 30, 2005	Non-Major Proprietary Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash		
Provided by (Used for) Operating Activities		
Operating income (loss)	\$ 1,509,743	\$ (1,032,223)
Adjustments to reconcile operating income (loss) to net		, () , , , , , , , , , , , , , , , , ,
cash provided by (used for) operating activities		
Depreciation	-	253,564
Changes in assets and liabilities		•
Delinquent taxes receivable	(491,408)	-
Taxes and other receivables	179,255	11,088
Due from other funds	69,644	; •
Checks issued against future deposits	1,003,301	(55,838)
Accounts payable	(2,257)	(97,065)
Accrued liabilities	83	2,719
Due to other funds	(11,000)	(1,279,608)
Net Cash Provided by (Used for) Operating Activities	\$ 2,257,361	\$ (2,197,363)

Fiduciary Funds

Statement of Fiduciary Net Assets

		Trust]	t Funds	
September 30, 2005	Agency Funds	Unused Sick and Vacation (730)	Retirement (731)	
Assets				
Cash and cash equivalents	\$ 2,866,943	\$ 904,154	\$ 1,063,094	
Due from other funds	1,744	, <u>-</u>	-	
Undistributed tax collections	763,083	-	-	
	\$ 3,631,770	904,154	1,063,094	
Liabilities				
Accounts payable	\$ 24,486	1,174	168	
Trust deposits and bonds	258,437	· -	-	
Due to other governments	2,931,653		-	
Undistributed receipts	417,194	-		
	\$ 3,631,770	1,174	168	
Net Assets				
Held in trust		\$ 902,980	\$ 1,062,926	

Fiduciary Funds

Statement of Changes in Fiduciary Net Assets

Year ended September 30, 2005	Unused Sick and Vacation (730)	Retirement (731)
Additions Contributions	\$ 202,120	\$ 108,244
Deductions Vacation and sick pay Retirement	86,771	2,983
	86,771	2,983
Change in Net Assets	115,349	105,261
Net Assets – Beginning of Year	787,631	957,665
Net Assets – End of Year	\$ 902.980	\$1,062,926

Component Units

Statement of Net Assets

		Central			
		Dispatch	E911		
September 30, 2005		Authority	Service		Total
			5011100		Total
Assets					
Cash and cash equivalents	\$	64,508	\$ 99,013	\$	163,521
Receivables			,		,
Accounts		· -	69,172		69,172
Intergovernmental		•	32,000		32,000
Capital assets, net of accumulated			,		,
depreciation			215,120		215,120
Total Assets		64,508	415,305		479,813
Liabilities					
Payables					
Accounts		-	604		604
Accrued liabilities			9,138		9,138
					
		-	9,742 -		9,742
Net Assets				•	
Investment in capital assets, net of related debt		-	215,120		215,120
Restricted for special revenues		-	171,001		171,001
Unrestricted		64,508	19,442		83,950
Net Assets	\$	64,508	\$ 405,563	· ·	470.071
	Ψ	UT.JUU	Ψ 702,202	Φ	470,071

/				Program l	Revenue	es		
Year ended September 30, 2005	 Expenses		Charges for Services		rating ts and utions		Capital its and outions	Total
Component Units Central Dispatch Authority 911 Service	\$ -	\$	-	\$	-	\$	-	\$ -
Public Safety Total Component Units	 850,482 850,482	<u> </u>	790,153 790,153		1,369 1,369	\$		 911,522 911,522
		Tr	ansfers		*			
		To	tal Transfe	rs				
		Ch	anges in No	et Assets				
		Ne	t Assets, be	ginning of	year		-	-
		Net	t Assets, en	d of year				

Component Units

Statement of Activities

Net (E	Net (Expense) Revenue and Changes in Net Assets						
	Central Dispatch uthority	E911 Service To					
\$	-	\$	-	\$	-		
	-		61,040		61,040		
	-	-	61,040	-	61,040		
<u> </u>	-		(80,227)		(80,227)		
	-		(80,227)		(80,227)		
	-		(19,187)		(19,187)		
	64,508		424,750		489,258		
\$	64,508	\$	405,563	\$	470,071		

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies

The financial statements of the County of Newaygo have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Financial Reporting Entity

The County of Newaygo, Michigan, was organized in 1851 and covers an area of approximately 864 square miles. The county seat is located in the City of White Cloud. The County operates under an elected Board of Commissioners (7 members) and provides services to its approximately 50,000 residents in many areas including general administrative services, law enforcement, administration of justice, community enrichment and development and human services. The accounting policies of the County of Newaygo conform to generally accepted accounting principles as applicable to counties. As required by generally accepted accounting principles, Governmental Accounting Standards Board (GASB) 14, these financial statements should present the County (the primary government) and its component units, entities for which the County is considered to be financially accountable.

The County Road Commission and the Medical Care Facility funds are not included in the report. Separate audit reports are prepared by other auditors for these component units of the Newaygo County financial reporting entity and can be obtained by contacting the County offices. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Notes to Basic Financial Statements

Discretely presented component units — The Component Units column in the combined financial statements includes the financial data of the County's other component units, Central Dispatch Authority/E911Services. These units are reported in a separate column to emphasize they are legally separate from the County.

The Newaygo County Central Dispatch Authority was established by resolution by the County Board of Commissioners. The Central Dispatch Authority establishes policy and reviews operations of the E911 Service for the County Board of Commissioners.

The Newaygo County Central Dispatch Authority/E911 Service was not audited separately. Component unit statements are included as part of these financial statements to summarize all the funds of the Central Dispatch.

Fund Accounting

The County uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Notes to Basic Financial Statements

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Notes to Basic Financial Statements

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue.

Fund-based statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Notes to Basic Financial Statements

Property taxes, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the County.

The County reports the following major governmental funds:

General Fund – The General Fund is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. Revenues are derived primarily from property tax.

County Jail Fund – This Fund was established to account for the operations of the County Jail Facility. Primary revenue sources are rental fees, charges for housing prisoners and an appropriation from the General Fund.

Public Works Construction Fund – This Fund was established for the Chain of Lakes Project for acquisition, construction, financing and operating of sewage disposal improvements in Brooks, Everett and Garfield Townships.

Drain Fund – This Fund is used by the County to record drain construction and maintenance expenditures. Revenues for the Drain Fund are primarily derived from special assessments against the property owners benefited and the at-large assessment against the local government unit.

Special Assessments Fund – This fund is used by the County to account for revenues received from local municipalities for the payment of limited obligation long-term debt of the County. This debt is a special assessment debt with governmental commitment associated with local municipalities' water and sewer installation.

Notes to Basic Financial Statements

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are revenues in excess of expenses for tax collection and internal rentals of buildings and equipment in excess of depreciation and cost of money. Elimination of the revenues would distort the activity of the functions and would not reflect the proper future uses of the excesses collected for their specific governmental purposes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The County's internal service funds recognize as operating revenue internal transfers intended to recover the cost of providing specific benefits and equipment to employees and departments within County operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Notes to Basic Financial Statements

The County reports deferred revenue on its Governmental Funds balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments.

Cash equivalents are short-term, highly liquid investments that have the following characteristics:

- Investments that are readily convertible to known amounts of cash
- Investments that mature in such a short period of time that their values are effectively immune from changes in interest rates
- Original maturity of three months or less

Investments are stated at fair value.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Notes to Basic Financial Statements

Property Taxes

Property tax revenue includes property taxes levied and attached as an enforceable lien on property on July 1 and December 1. Taxes are payable by March 1. After March 1, taxes are delinquent and are collected by the County with additional penalty and interest added.

By agreement with various taxing authorities in the County, the County purchases at face value the real property taxes receivable which became delinquent on March 1, 2005. These taxes, which are recorded in an Enterprise Fund, are pledged for repayment of loans, the proceeds of which were used to purchase such amounts due to the General Fund and other local units of government. Subsequent collections by the County plus interest, fees and investment earnings, are used to repay the loan.

Inventories

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the governmental funds consist of expendable supplies which are recorded as an expenditure at the time individual inventory items are purchased.

Prepaid Items

Payments made to the U.S.Postal Service for postage to be used beyond September 30, 2005 is recorded as a prepaid item. The County follows the consumption method of accounting in reporting this item and, therefore, no offset by a fund balance reserve is required.

Notes to Basic Financial Statements

Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,500 and any assets susceptible to theft. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	25-40 years
Land improvements	10-20 years
Machinery and equipment	5-10 years
Vehicles	4-8 years
Bike Paths/Trailways	20 years

Compensated Absences

Vacation and sick pay is fully accrued in the government-wide and proprietary financial statements.

Employees earn vacation leave at the rate of five to thirty days depending on their years of service. The allowable accumulation of vacation time varies by contract.

Command, Deputies and Corrections full-time employees earn sick leave credit at the rate of one (1) workday with pay for each completed month of service. The maximum accumulation varies by contract.

Notes to Basic Financial Statements

For all other full-time County employees, sick time accumulation was eliminated effective January 1, 1997 and was replaced with Short-Term and Long-Term Disability programs. Employees are now provided with seven (7) personal (PTO) days per calendar year to be earned on a monthly pro rata basis. In addition, three (3) days carryover will be allowed, but at no time will the PTO days be greater than ten (10).

Upon separation from employment, full-time Command and Deputies are paid for any unused vacation leave and for those with at least four years of credited service, 50% of unused sick leave with a maximum of 60 days (100% upon death or retirement with a maximum of 120 days). Corrections Officers with at least ten years of service are paid for 50% of unused accrued sick leave upon either death or retirement to a maximum of 60 days. All other full-time employees receive payoff of PTO time accumulated. They may receive amounts held in reserve for prior sick time accumulation upon retirement.

Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other longterm obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Notes to Basic Financial Statements

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. Legal Compliance Budget

The County follows these procedures in establishing the budgetary data reflected in the financial statements.

- 1. Prior to September 1, the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- 2. Public hearings are conducted in the County Administrative Building to obtain taxpayer comments.
- 3. Prior to October 1, the budget is legally enacted through passage of a general appropriation act.
- 4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue and Debt Service Funds.
- 5. Budgets for the General Fund, Special Revenue and Debt Service Funds are adopted on a basis consistent with accounting principles general accepted in the United States of America and at the functional level.

Budgeted amounts are as originally adopted or as amended by the Board of Commissioners at various dates. Budget amendments of up to \$25,000 can be made by the County Administrator. Budget appropriations lapse at year end.

Notes to Basic Financial Statements

3. Deposits and Investments

Deposits

State statutes require that certificates of deposit, savings accounts, deposit accounts and depository receipts are made with banks doing and having a place of business in the State of Michigan that are also members of a federal or national insurance corporation.

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits might not be recovered. It is the County's policy to reduce custodial credit risk related to deposits by diversifying deposits by type and institution. At September 30, 2005, \$9,125,118 of the County's bank balances of \$9,725,036 were exposed to custodial risk as follows:

Uninsured and uncollateralized:

\$9,125,118

Investments

At September 30, 2005, the County had the following investments:

Maturity		Fair Value
12/12/2005	\$	100,654
11/12/2005		98,563
12/17/2005		98,407
11/29/2005		99,822
5/29/2006		99,745
12/9/2011		99,982
2/15/2007		99,316
2/17/2006		425,774
1/30/2006		99,840
4/10/2006		99,118
1/23/2006		33,041
8/26/2005		99,024
6/22/2007		100,128
2/15/2011		97,065
6/15/2010		99,024
	12/12/2005 11/12/2005 12/17/2005 11/29/2005 5/29/2006 12/9/2011 2/15/2007 2/17/2006 1/30/2006 4/10/2006 1/23/2006 8/26/2005 6/22/2007 2/15/2011	12/12/2005 \$ 11/12/2005 12/17/2005 11/29/2005 5/29/2006 12/9/2011 2/15/2007 2/17/2006 1/30/2006 4/10/2006 1/23/2006 8/26/2005 6/22/2007 2/15/2011

Notes to Basic Financial Statements

Investment	Maturity		Fair Value
Certificates of Deposit - Continued			
Macatawa Bank	8/6/2007		99,648
Mercantile Bank	3/17/2006	Ψ	200,000
Mercantile Bank	4/19/2006		627,594
Mercantile Bank	3/17/2006		100,000
National City Bank	3/1/2006		300,000
Standard Federal Bank	9/24/2008		97,189
Sturgis Bank	2/2/2007		99,781
Summit Bank	3/19/2008		78,752
Traverse City State Bank	1/29/2007		100,170
Bond Funds	1,29,200,		100,170
Federal Home Loan Bank	11/28/2006		245,000
Federal Home Loan Bank	6/2/2006		99,313
Federal Home Loan Bank	10/30/2008		99,094
Federal Home Loan Bank	4/14/2006		98,969
Federal Home Loan Bank	4/14/2006		99,007
Federal Home Loan Bank	2/20/2008		99,083
Federal National Mortgage Association	2/13/2009		99,344
Federal National Mortgage Association	11/9/2006		99,000
Federal National Mortgage Association	3/29/2007		197,438
Federal National Mortgage Association	2/15/2013		29,747
Federal Home Loan Mortgage Corporation	8/4/2006		197,422
Federal Home Loan Mortgage Corporation	5/12/2006		247,237
Federal Home Loan Mortgage Corporation	5/12/2006		247,238
Government National Mortgage Association	11/15/2007		7,615
Equity Funds			,,,,,
Tamarack Investment Money Market	N/A		102,729
Fifth Third Money Market	N/A		12,345
Fifth Third Money Market	N/A		12,345
		\$	
		Ф	5,445,563

Notes to Basic Financial Statements

Interest Rate Risk

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. It is the County's policy to reduce interest rate risk by designing the portfolio with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

Custodial Credit Risk Related to Investments

Custodial Credit risk is the risk that, in the event of the failure of the counterparty or bank, the County will not be able to recover the value of its investments that are in the possession of an outside party. All of the County's investments were held in the name of the County.

Credit Risk

State statutes authorize the County to invest in obligations and certain repurchase agreements of the U.S. Treasury and related governmental agencies, commercial paper rated prime at the time of the purchase and maturing not more than 270 days from the date of purchase, bankers acceptance and certificates of deposit issued or created by a state or national bank insured with the applicable federal agency, investment pools authorized by the Surplus Funds Investment Pool Act and mutual funds composed entirely of the above investments.

The County had no investment policy that would further limit its investment choices. At September 30, 2005, the County's investments in Fifth Third Money Market Funds were rated Aaa by Moody's and AAAm by S&P.

Notes to Basic Financial Statements

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. It is the County's policy that, with the exception of U.S. Treasury securities and authorized investment pools, no more than 70% of the total investment portfolio will be invested in a single security type or with a single financial institution.

Component Units

At September 30, 2005, \$63,521 of the County's component units' bank balances of \$163,521 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized:

\$63,521

4. Reconciliation of Government-Wide and Fund Financial Statements

a) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the Governmental Funds Balance Sheet." The details of this \$10,484,211 difference are as follows:

Special Assessment Bonds	\$ 7,960,000
Building Authority Bonds	1,815,000
Compensated absences	709,211
Net adjustment to reduce fund balance	
- total governmental funds to arrive at	
net assets - governmental activities.	\$ 10,484,211

Notes to Basic Financial Statements

b) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Government funds report capital outlays as expenditures." However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Capital Outlay	\$ 498,359
Internal Service asset purchases	(223,202)
Internal Service depreciation	253,564
Depreciation Expense as	
for Governmental Activities	 (725,599)
Net adjustment to decrease net changes in balances - total governmental funds to	
arrive at changes in net assets of	
governmental activities \$	(196,878)

Notes to Basic Financial Statements

5. Capital Assets Capital asset	activity of the	County's gov	ernmental acti	vities was as
follows:	•	, ,		
	Balanc	е		Balance
Primary Government	October 1	,		September 30,
· · · · · · · · · · · · · · · · · · ·	2004	4 Increases	Decreases	2005
Governmental Activities				
Capital assets, not depreciable:				
Land	\$ 1,052,586	\$ - \$	- \$	1,052,586
Capital assets being depreciated:				, ,
Land improvements	594,510	5,231	-	599,741
Building and construction	14,972,580	75,955	-	15,048,535
Office equipment	2,100,002	251,629	(4,785)	2,346,846
Vehicles	1,080,114	165,544	(76,732)	1,168,926
Total assets being depreciated	18,747,206	498,359	(81,517)	19,164,048
Less accumulated depreciation for:				
Land improvements	372,735	20,261	-	392,996
Building and construction	4,246,811	334,154	-	4,580,965
Office equipment Vehicles	1,150,893	209,400	(4,785)	1,355,508
venicies	880,057	161,784	(73,067)	968,774
Total accumulated depreciation	6,650,496	725,599	(77,852)	7,298,243
Total capital assets being depreciated, net	12,096,710	(227,240)	(3,665)	11,865,805
Government Activities - capital assets, net	\$ 13,149,296	\$(227,240) \$	(3,665) \$	12,918,391
Component Units E911 Services Capital assets, being depreciated Equipment	\$ 275,948	\$ 11,347 \$	- \$	287,295
Total capital assets being depreciated	275,948	11,347	_	287,295
Less accumulated depreciation for: Equipment	43,674	28,501	_	72,175
Total accumulated depreciation	43,674	28,501	······································	
Total capital assets being depreciated, net	232,274	(17,154)	-	72,175 215,120
Component Units - capital assets, net	\$ 232,274	\$ (17,154) \$	- \$	215,120

Notes to Basic Financial Statements

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Judicial	\$ 506
General government	412,654
Public safety	247,078
Public works	9,243
Health and welfare	43,181
Culture and recreation	12,937
Total Depreciation Expense -	
Government Activities	\$ 725,599

Notes to Basic Financial Statements

6. Long-Term Debt The following is a summary of the long-term debt outstanding of the County as of September 30, 2005:

Governmental Activities	Balanc October 1 200	l ,	s Reductions	Balanc September 30 s 200), Within
Bonds Payable					
Hesperia Wastewater Project Revenue					
Bonds dated December 1, 1978,					
maturing serially to 2018 in annual					•
amounts of \$25,000 with interest at 5.0%.	\$ 350,000	\$ -	\$ (25,000)	\$ 325,000	ė as 000
Hesperia Sanitary Sewer System	Ψ 550,000	ψ -	\$ (25,000)	323,000	\$ 25,000
Bonds dated June 23, 2005, maturing					
serially to 2025 in annual amounts					
ranging from \$20,000 to \$30,000 with					
interest at 1.625%. White Cloud/Sherman Wastewater	-	490,000	-	490,000	20,000
Project Revenue Bonds dated February					
10, 1981, maturing serially to 2020 in					
annual amounts ranging from \$50,000	0.45,000		450 000		
Building Authority Bond, Series 1995,	845,000	-	(50,000)	795,000	50,000
maturing serially to 2011 in annual					
amounts ranging from \$175,000 to					
\$245,000 with interest at 4.4%.	1,450,000	-	(175,000)	1,275,000	185,000
Building Authority Bond, Series 2002,	2,120,000		(175,000)	1,275,000	185,000
maturing serially to 2014 in annual					
amounts ranging from \$40,000 to					
\$75,000 with interest at 4.6% to 4.65%.	580,000	-	(40,000)	540,000	45,000
Chain of Lakes System Bonds, dated					
January 16, 2003, maturing serially to					
2021 in annual amounts ranging from					
\$300,000 to \$400,000 with interest at 2.5% to 4.55%.	6,650,000		(200,000)	6.250.000	•00
Total Bonds Payable		400,000	(300,000)	6,350,000	300,000
Accumulated compensated absences	9,875,000 775,127	490,000	(590,000)	9,775,000	625,000
· · · · · · · · · · · · · · · · · · ·	113,121	-	(65,916)	709,211	709,211
Total Governmental Activities	0.10 (50.10=	# 100 000			
Long-Term Debt	\$ 10,650,127	\$ 490,000	\$ (655,916)	\$ 10,484,211	\$1,334,211

Notes to Basic Financial Statements

Business Type Activities	Balance October 1, 2004		Additions	Reductions	S	Balance eptember 30, 2005	Du Withi One Yea
Delinquent Tax Notes, Series 2004 maturing March 1, 2005, payable with interest based on the LIBOR rate.	\$ 1,865,000	\$_	_	\$ (1,865,000)	\$		\$
Total All Long-Term Liabilities	\$12,515,127	\$	490,000	\$ (2,520,916)	\$	10,484,211	\$ 1,334,21

The total requirement for payment of principal and interest amount to \$9,775,000 and \$3,311,836, respectively at September 30, 2005, as follows:

	Government	Governmental Activities		
	Principa	ıl	Interest	
2006	\$ 625,000	\$ 38	88,315	
2007	640,000	30	56,530	
2008	675,000	34	42,575	
2009	715,000	3	17,628	
2010	735,000	29	90,160	
2011-2015	2,965,000	1,04	13 ,140	
2016-2020	2,480,000	50	02,219	
2021-2025	940,000		51,269	
	\$ 9,775,000	\$ 3,3	11,836	

Notes to Basic Financial Statements

7. Interfund The following are the interfund receivables at September 30, 2005: Balances

Fund	I	Interfund Receivable	Fund	Interfund Payable
				 Tayuoic
General Fund	\$	300,000	Drain Revolving	\$ 300,000
Sheriff Road Payroll		27,614	Motorpool	27,614
Law Enforcement		2,274	Sheriff Road Patrol	2,274
Library Penal		1,744	General Fund	1,744
Drain Revolving		135,038	Drain	135,038
2000 & Prior Delinquent Tax		23,000	County Parks	9,000
			Building Renovation	14,000
Building Safety & Permits		10,000	Building Demolition Revolving	10,000
	\$	499,670		\$ 499,670

8. Advances and Transfers

The following are the advances at September 30, 2005:

	vance to er Fund		vance from Other Fund
2000 and Prior Delinquent Tax 2002 Delinquent Tax	\$ 329,940 77,589	Drain Drain Maintenance & Construction	\$ 400,529 7,000
	\$ 407,529		\$ 407,529

Notes to Basic Financial Statements

Transfers during the fiscal year were as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 1,281,162	\$ 5,413,628
County Jail	1,264,181	-
911 Service	•	80,227
Newaygo County Mounted Division	-	1,000
Sheriff Road Patrol	365,267	11,368
County Parks	-	28,639
County Jail Trustees Management	8,810	-
Elections	44,367	-
Friend of the Court	182,625	40,357
Public Works	14,142	-
Building Safety & Permits	10,000	12,600
Pride Youth Programs	175,500	-
Pride Youth Programs International	2,905	-
Drug Prevention	55,455	-
Animal Control	78,038	-
Gypsy Moth Suppression	12,808	-
Emergency Services	50,000	-
Transport	20,850	7,720
Law Enforcement	4,274	-
County Law Library	11,314	-
Commission on Aging	72,468	35,973
Community Development	68,108	<i>'-</i>
Revenue Sharing Reserve	1,967,659	828,190
Social Services	37,588	-
Child Care	617,100	- .
Temporary Child Care	32,667	-
FIA	239,150	-
Building Authority	-	246,407
2000 and Prior Delinquent Tax	-	470,861
Building Grounds Maintenance	83,770	-
Campus Security	12,094	-
Central Stores	30,000	-
Information Services Projects	58,346	127,466
Sub-Total Sub-Total	 6,800,648	7,304,436

(Statement continued on next page)

Notes to Basic Financial Statements

Fund	Transfers In	Transfers Out
Balance Forward	\$ 6,800,648	\$ 7,304,436
Information Services	657,920	46,941
Building Demolition Revolving	12,600	
PC Coordinator Training	46,941	-
Food Service	27,800	100,000
Motorpool	7,720	-
Building Renovation	10,000	32,929
Reserve for Operational Contingencies	 28,639	107,962
	\$ 7,592,268	\$ 7,592,268

9. Risk Management

The County purchases insurance and participates in public entity risk pools for the various risks associated with County operations. Significant risk management activities of the County are accounted for and disclosed below as required by GASB 10.

The County is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County obtains its liability insurance coverage as a member of the Municipal Risk Management Authority (MMRMA), a public entity risk pool providing liability and property coverage to its participating members. The County pays an annual premium to MMRMA for liability insurance coverage. The MMRMA is self-sustaining through member premiums and provides, subject to certain deductibles, occurrences based coverage by internally insuring certain risks and reinsuring risks through commercial companies. A \$75,000 deductible is maintained to place the responsibility for small charges with the County. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Notes to Basic Financial Statements

The County manages its workers' compensation risk by participating in the Michigan Association of Counties Workers Compensation Fund (MACWCF), a public entity risk pool providing workers' compensation coverage to its participating members. The County pays an annual premium to MACWCF for its workers compensation coverage. The MACWCF is self-sustaining through member premiums and provides statutory workers compensation coverage to its members by internally insuring certain risks and reinsuring risks through commercial companies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

10. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

11. Defined Benefit Pension Plan

Plan Description

The County participates in the Michigan Municipal Employees Retirement System (MERS), an agent multiple employer public employee retirement system. Substantially all employees are covered by a retirement system. Those employees listed below hired on or after the date listed beside the employee group are covered by a defined contribution plan.

August 13, 1997	Unclassified Employees
January 1, 1999	Employees Covered Under the Teamsters
	Union Contract
January 1, 2000	Newaygo County Deputies
September 1, 2002	Newaygo County Correction Officers
July 26, 2002	Newaygo County Dispatchers

Notes to Basic Financial Statements

The Michigan Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for Newaygo County. That report may be obtained by writing to Newaygo County at P.O. Box 885, White Cloud, Michigan 49349.

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by the County Board.

Annual Pension Cost

For the year ended September 30, 2005 the County's annual pension cost of \$540,316 for the plan was equal to the County's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2003, using the entry actual age cost method. Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 4.5 percent per year, plus additional projected salary increases ranging from 0.0 percent to 4.2 percent per year, depending on age, attributable to seniority/merit, and (c) 2.5 percent per year cost of living adjustments. Both (a) and (b) included an inflation component of 4.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short term volatility over a four year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 30 years.

Notes to Basic Financial Statements

12. Defined Contribution Plan

The County provides pension benefits to all of the below full-time employees hired after the date listed beside the employee group or those hired before who elected out of MERS through a defined contribution plan.

August 13, 1997

January 1, 1999

Limiting Contract

January 1, 2000

September 1, 2002

July 26, 2002

Union Contract

Newaygo County Deputies

Newaygo County Correction Officers

Newaygo County Dispatchers

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by the Board of Commissioners, the County contributes 5 percent of employees' gross earnings and match their contribution of 3 percent. In accordance with these requirements, the County contributed \$283,860 during the

current year, and employees contributed \$107,529.

13. Component Unit Financial Information

Condensed financial statements for each of the discretely presented component units are included in the government wide financial statements. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

Notes to Basic Financial Statements

14. Excess of Expenditures Over Revenues in Budgetary Funds

During the year ended September 30, 2005, the County incurred expenditures in various funds which were in excess of amounts appropriated, as follows:

				Actual
	Appropriation		Expenditures	
General Fund				
Jury Board	\$	7.336	\$	12.705
County Treasurer	Ψ	284,286	Ф	12,795 284,435
Contract Negotiation - Legal Counsel		41,900		73,076
Courtesy Desk		· .		431
Sheriff Department		565,268		614,892
Junk Law Enforcement		5,506		5,657
Substance Abuse International		66,701		66,717
Social Services - Medical Care Facility		89,000		95,757
County Jail	2	2,501,552	- 2	2,781,995

All expenditures over appropriations as identified above have been paid by excess revenues or by reduced expenditures in other activities.

15. Long-Term Lease

The County is a party to a long-term lease agreement for rental of a building to the Intermediate School District. The lease stipulates that fixed annual rentals will be paid to the County by the Intermediate School District and such rentals are pledged exclusively for payment of principal and interest on the Building Authority bonds. In addition, the Intermediate School District pledges its unlimited tax, full faith, and credit as security under the lease. Fixed annual rentals will cease after all bonds have been retired and advance rentals repaid. The lease agreement provides, further, that after all bonds are retired and advance rentals repaid, title to the land and buildings will vest to the Intermediate School District.

Notes to Basic Financial Statements

The long-term lease has been accounted for as a capital lease. The net leasehold receivable represents the present value of future minimum lease payments due from the Intermediate School District. Revenue represented by the non-current portion of the receivable is deferred until it becomes a current receivable. Future minimum lease payments scheduled to be received by the County from the Intermediate School District including unearned finance income of \$135,780 are as follows:

_	\$	675,780
2014		78,450
2013		76,670
2013		79,890
2012		77,880
2011		
2010		76,640
2009		73,170
2008		70,470
		72,770
2007	J.	69,840
2006	\$	60.040

16. Fund Deficit

The County had the following Fund balance deficits at September 30, 2005:

801	Drain	\$	281,507
228	Public Works	Ψ	4.799

17. Reconciliation of Capital Outlay

Capital outlay expenditures for governmental funds differ from amounts capitalized. The differences are detailed as follows:

Total capital purchases as reported in the	
governmental funds	\$ 1,370,382
Capital projects not County owned	(1,095,225)
Net Assets Capitalized	\$ 275,157

18 Restatement of Beginning Net Assets

During 2005, beginning net assets were increased \$50,500 from \$6,120,173 to \$6,170,673 to correct a misposting in prior years.

Required Supplemental Material

	 	General Fund	***
	Original	Final	
Year ended September 30, 2005	 Budget		Actual
Revenues			
Taxes	\$ 5,952,053	\$ 7,952,053	\$ 8,086,509
Licenses and permits	46,117	46,117	40,632
Federal grants	247,284	316,329	99,582
State grants and distributions	1,641,599	1,641,599	1,024,791
Charges for services	1,744,307	1,748,116	1,847,845
Contributions from local units	146,504	155,220	139,040
Fines and forfeitures	115,600	115,600	95,218
Contributions from private sources	4,000	4,000	5,170
Rents	165,499	165,499	194,687
Interest income	67,000	86,430	71,173
Reimbursements	6,500	6,500	36,781
Other	-	-	23,405
Total Revenues	 10,136,463	12,237,463	11,664,833
Expenditures			
Legislative	271,503	272,503	258,268
Judicial	2,409,974	2,439,025	2,397,008
General government	2,703,697	2,834,503	2,739,087
Public safety	659,106	694,504	734,656
Public works	40,401	15,703	11,702
Health and welfare	867,229	867,454	765,263
Community and economic development	133,325	134,336	102,225
Other	95,220	1,102,640	305,382
Capital outlay	261,034	93,298	168,982
Total Expenditures	 7,441,489	8,453,966	7,482,573
Revenues Over (Under) Expenditures	2,694,974	3,783,497	4,182,260
Other Financing Sources (Uses)			
Operating transfers in	228,428	1,283,662	1,281,162
Operating transfers out	 (2,955,567)	(4,950,749)	(5,413,628)
Total Other Financing Sources (Uses)	(2,727,139)	(3,667,087)	(4,132,466)
Revenues and Other Sources Over (Under)	•		
Expenditures and Other Uses	(32,165)	116,410	49,794
Fund Balance, at beginning of year	1,024,714	1,024,714	1,024,714
Fund Balance, at end of year	\$ 992,549	\$ 1,141,124	\$ 1,074,508

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Major Governmental Funds

-	County Jail	
Original	Final	İ
Budget	Budget	Actual
		•
\$ -	\$ -	\$ -
-	-	
-	-	-
1 250 757	1 252 525	
1,358,757	1,373,737	1,251,495
<u>-</u>	- -	_
-	-	- -
-	-	-
-	-	-
70,000	70,000	87,947
 150,000 1,578,757	155,000 1,598,737	134,279
1,570,757	1,376,737	1,473,721
•		-
•	-	-
2,448,994	2,479,972	2 791 005
-	2,473,372	2,781,995
-	_	-
-	-	-
-	-	-
 6,600	6,600	-
 2,455,594	2,486,572	2,781,995
(876,837)	(887,835)	(1,308,274)
924,894	935,892	1,264,181
(48,057)	(48,057)	-,
 876,837	887,835	1,264,181
		
-	-	(44,093)
44,222	44,222	44,222
\$ 44,222 \$	44,222 \$	
 	/	

Required Supplementary Information for Pension Plans - GASB 27

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded UAAL (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b - a)/c)
December 31:						
2002	\$ 14,102,298	\$ 15,057,351	\$ 955,053	93.66%	\$3,739,059	25.54%
2003	15,165,680	17,051,369	1,885,689	88.94%	3,770,113	50.02%
2004	15,877,399	17,892,948	2,015,549	88.74%	3,275,879	61.53%

September 30, 2005		Newaygo County Mounted Division (205	y i n	Animal Control (205-2)	Emergency Services (205-3)	5	Crime Victims Rights (205-5)
Assets Cash and cash equivalents Due from other governments Taxes and other receivables Restricted asset	\$	5,691 - - -	\$	2,264 - - -	\$ - 146,193 - -	\$	37,500 - -
Due from other funds Total Assets	\$	5,691	\$	2,264	\$ 146,193	\$	37,500
Liabilities and Fund Balances Liabilities Checks issued against future deposits Accounts payable Accrued wages payable Deferred revenues Due to other governments Due to other funds	\$	307 - - -	\$	586 1,457 - -	\$ 57,849 60,964 382 - -	\$	33,189 - 614 - -
Total Liabilities		307		2,043	119,195		33,803
Fund balances Unreserved Designated for programs Undesignated	No. proper property	5,384		221	- 26,998		3,697
Total Fund Balances		5,384		221	 26,998		3,697
Total Liabilities and Fund Balances	\$	5,691	\$	2,264	\$ 146,193	\$	37,500

		Special Reve	enue				
*	Sheriff Road Patrol (207)	Law Enforcement (207-2)	Temporary Sheriff (207-4)	County Parks (208)	Area Park Advisory Council 1 (208-1)	County Jail Trustees Management (213-1)	Transpor Fund (213-2)
\$	224,765 \$ - - 27,614	- \$ 12,131 40,602 - 2,274	- \$ 3,336 - -	40,012 \$	5,526 \$ - 5,868	- \$ 10,645 9,961 -	23,579 - -
\$	252,379 \$	55,007 \$	3,336 \$	40,012 \$	11,394 \$	20,606 \$	23,579
\$	- \$ 18,032 15,472 - 2,274	532 \$ 128 3,180	3,046 \$ 290	- \$ 7,469 2,469 - - 9,000	- \$ 741	18,805 \$ - 1,719 - -	21,117 206 2,102
	35,778	3,840	3,336	18,938	741	20,524	23,425
	19,119 197,482	25,211 25,956	-	699 20,375	10,653	82	154
	216,601	51,167	-	21,074	10,653	82	154
\$	252,379 \$	55,007 \$	3,336 \$	40,012 \$	11,394 \$	20,606 \$	23,579

September 30, 2005		Elections (214)		Friend of the Court (215)		Public Works (228)	Recycling Project (230)
Assets							,
Cash and cash equivalents	\$	46,635	\$	4,072	\$	- \$	18,151
Due from other governments	•	•	-	97,328	-	-	,
Taxes and other receivables		-		-		-	-
Restricted asset		-		-		-	
Due from other funds		-		-		-	-
Total Assets	\$	46,635	\$	101,400	\$	- \$	18,151
Liabilities and Fund Balances							
Liabilities							
Checks issued against future deposits	\$	-	\$	-	\$	4,776 \$	-
Accounts payable		269		2,540		23	17,740
Accrued wages payable		382		7,933		-	•
Deferred revenues		-		-		-	-
Due to other governments		-		-		-	-
Due to other funds		-		-			-
Total Liabilities		651		10,473		4,799	17,740
Fund balances							
Unreserved							
Designated for programs		-		-		-	-
Undesignated		45,984		90,927		(4,799)	411
Total Fund Balances		45,984		90,927		(4,799)	411
Total Liabilities and Fund Balances	\$	46,635	\$	101,400	\$	- \$	18,151

		 Special R	.ev	enue		 		
	Gypsy Moth Suppression (239)	Newaygo County Economic Development (244)		Community Development (244-1, 244-2 & 244-3)	Public Improvement (245)	 Building Safety & Permits (249)	Homestead Exemption Audit (255)	 Register of Deeds Automation (256)
\$	41,146	\$ 11,000	\$	93,273	\$ 7,820	\$ 154,821	\$ 22,555	\$ 58,608
	- -			697,358	- -	•	- - -	- -
				-	 -	 10,000	 -	 <u> </u>
\$	41,146	\$ 11,000	\$	790,631	\$ 7,820	\$ 164,821	\$ 22,555	\$ 58,608
\$	- -	\$ -	\$	- -	\$ - -	\$ - 1,068	\$ 21,782	\$ 311
	82			804	-	6,176	-	-
	-	-		-	-	- -	- -	-
- '	82	-		804		7,244	21,782	311
	- 41,064	11,000		380,696 409,131	7,820	100,000 57,577	- 773	- 58,297
	41,064	11,000		789,827	7,820	157,577	 773	58,297
<u> </u>		\$ 11,000	\$	790,631	\$ 7,820	\$ 164,821	\$ 22,555	\$ 58,608

September 30, 2005	Electroni System (256-5	ıs	Pride Youth Programs (263)	Pride Youth Programs emational (263-1)	Drug Preventior (264)
Assets Cash and cash equivalents Due from other governments Taxes and other receivables Restricted asset Due from other funds	\$ 52,408 - - - -	\$	- - - -	\$ - \$ - - -	- - - -
Total Assets	\$ 52,408	\$	-	\$ - \$	
Liabilities and Fund Balances Liabilities Checks issued against future deposits Accounts payable Accrued wages payable Deferred revenues Due to other governments Due to other funds	\$ 3,635 - - -	\$	- - - - -	\$ - \$ - - -	
Fund balances	3,635		-	.=	-
Unreserved Designated for programs Undesignated	 - 48,773		-	-	-
otal Fund Balances	48,773	, , , , , , , , , , , , , , , , , , , 		 <u> </u>	
otal Liabilities and Fund Balances	\$	\$	-	\$ - \$	

 	 Special R	 	 ··········					
 Drug Law Enforcement (265)	 County Law Library (269)	 Revenue Sharing Reserve (285)	 Social Services (290)		Child Care (292)	Temporary Child Care (292-1)	-	Soldiers Relie (293)
\$ 17,219 13,174 - -	\$ 43,959	\$ 1,139,469	\$ 69,200 - 59,541 -	\$	206,809	\$ - - - -	\$	196,434 - - -
\$ 30,393	\$ 43,959	\$ 1,139,469	\$ 128,741	\$	206,809	\$ -	\$_	196,434
\$ - - 880 - -	\$ 1,020	\$ -	\$ 19,854 - - 78,000	.\$	156,892 45,960 3,415 -	\$ - - - -	\$	- - 413 - -
880	 1,020	· -	97,854		206,267	-		413
11,157 18,356	42,939	1,139,469	- 30,887		542	<u>-</u>		- 196,021
29,513	42,939	1,139,469	30,887		542	 -		196,021
\$ 30,393	\$ 43,959	\$ 1,139,469	\$ 128,741	\$	206,809	\$ -	\$	196,434

	•	~	_				
		Special	Revenues				·
September 30, 2005		Veterans' Trust (294)	` '	ng -1	Jail Kitchen (466)	L	Sanitar Sewe Construction (490
Assets							
Cash and cash equivalents	\$	467	\$ 433,733	7 \$	7,417	\$	2,976
Due from other governments		-		-	_		-
Taxes and other receivables		-		-			_
Restricted asset		-		-	_		437,264
Due from other funds		_		• •			
Total Assets	\$	467	\$ 433,737	\$	7,417	\$	440,240
Liabilities and Fund Balances Liabilities							
Checks issued against future deposits	\$	-	\$ -	\$	-	\$	-
Accounts payable		-	32,043		-		2,524
Accrued wages payable		-	13,974		-		-
Deferred revenues		-	2,851		-		-
Due to other governments		-	-		-		-
Due to other funds			-		-		
Total Liabilities		-	48,868		_		2,524
Fund balances							
Unreserved							
Designated for programs		-	54,653		-		_
Undesignated		467	330,216		7,417		437,716
Total Fund Balances		467	384,869		7,417		437,716

					Capita	l Pr	roiects						
	FIA Construction (498	n	Drai Revolvin (802	g	Brooks Lake Board (845)		Hess Lake Improvement (846)	:	Diamon Lak Boar (847	e d	Ryerson Lake Board (849)	; [Enge Wrigh Lake Board (850)
\$	456,589	\$	164,962	\$	11,974	\$	41,449	\$	16,290	\$	55,212	\$	7,841
	-		-		8,688		20,619		23,175	•	26,250		7,738
\$	456,589	\$	135,038 300,000	\$	20,662	\$	62,068	\$	39,465		81,462	\$	15,579
\$	-	\$	-	\$	- -	\$	-	\$	-	\$	-	\$	-
	- -	,	- - -		- 8,688 -		20,619		23,175		26,250		- 7,738
 -			300,000		9.600		-				-		<u> </u>
			300,000		8,688		20,619		23,175		26,250		7,738
_	- 456,589		. <u>-</u>		- 11,974		- 41,449		- 16,290		- 55,212		- 7,841
	456,589		•		11,974		41,449		16,290		55,212		7,841
\$	456,589	\$	300,000	\$	20,662	3	62,068	\$	39,465	\$	81,462	\$	15,579

		Debt Service	e
		ICD	T7T A
September 30, 2005	*****	ISD (395)	FIA (397)
Assets			
Cash and cash equivalents	\$	- \$	_
Due from other governments		-	-
Taxes and other receivables		· _	_
Restricted asset		_	_
Due from other funds		-	-
Total Assets	\$	- \$	_
Liabilities and Fund Balances			
Liabilities			
Checks issued against future deposits	\$	- \$	_
Accounts payable		_	_
Accrued wages payable		_	_
Deferred revenues		-	_
Due to other governments		-	_
Due to other funds		-	
Total Liabilities		-	-
Fund balances			
Unreserved			
Designated for programs		_	_
Undesignated		<u>.</u>	-
Total Fund Balances		•	_
Total Liabilities and Fund Balances	\$	- \$	
MILL A MILL APPRINGED U		· · · · · · · · · · · · · · · · · · ·	

		Permanent			
		Funds			
		_			m . 1
		Cemetery			Total
		Trust			All
		(151)			Funds
		· · · · · · · · · · · · · · · · · · ·			
	\$	240		\$	3,454,182
	4	240		Ψ	550,695
		-			
		-			899,800
		-			437,264
					174,926
		-			*
	\$	240		\$_	5,516,867
	\$			\$	296,206
	Þ		1	J	
		-			237,492
		-			61,454
		-			89,321
		-			78,000
		-			311,274
,		_			1,073,747
					1,070,717
					÷
		240			592,538
		-			3,850,582
		240			4,443,120
	\$	240	9	\$	5,516,867
	Ψ	<u> </u>		Ψ	0,010,007

Year ended September 30, 2005		Newaygo County Mounted Division (205)	Animal Control (205-2)		Emergency Services (205-3)	Crime Victims Rights (205-5)
Revenues						•
Taxes	\$	- 9		\$	- :	-
Federal grants		-	_		155,831	<u>-</u>
State grants and distributions		_	-		•	45,251
Charges for services		-	55,410			-
Contributions from local units		_	-		_	_
Special assessments		_	_		**	_
Fines and forfeits		_	-		_	_
Contributions from private sources		6,397	4,907		_	_
Rents		-	-,,,,,,		_	
Interest income		_	-		_	_
Reimbursements		_	400		_	_
Total Revenues		6,397	60,717		155,831	45,251
Expenditures						
Judicial		. -	-		-	-
General government		-	-		-	41,685
Public safety		6,155	144,500		242,162	-
Public works		-	-		-	-
Health and welfare		-	-		-	_
Community and economic development		-	-		-	_
Recreation and culture		-	-		-	_
Capital outlay		-	-		-	
Debt principal payments		-	-		-	-
Interest and fiscal charges		-	-		-	-
Total Expenditures		6,155	144,500		242,162	41,685
Revenues over (under) expenditures		242	(83,783)		(86,331)	3,566
Other Financing Sources (Uses) Proceeds from issuance of long-term			·			
debt		-			-	-
Transfers in		-	78,038		50,000	-
Transfers out		(1,000)	<u> </u>		-	
Total Other Financing Sources (Uses)		(1,000)	78,038		50,000	-
Revenues and other sources over		/# #O	/= = · = ·		(0.6.5	
(under) expenditures and other uses		(758)	(5,745)		(36,331)	3,566
Fund Balance, at beginning of year		6,142	5,966		63,329	131
Fund Balance, at end of year	\$	5,384 \$	221	\$	26,998 \$	3,697

		Special Rev	venı	ie				· · · · · · · · · · · · · · · · · · ·		
Sheriff Road Patrol (207)		Law Enforcement (207-2)		Temporary Sheriff (207-4)	County Parks (208)		Area Park Advisory Council (208-1)	County Jail Trustees Management (213-1)		Transpor Fund (213-2
\$ 1,021,621	\$	_	\$	- \$		\$		¢	•	
-	•	-	•	- v	- -	Φ	-	\$ -	\$	-
9,408		98,698		-	-		_	-		_
15,407		-			259,452			101,898		133,123
856		165,408			-		11,521	-		155,125
-		-			-		•	_		_
-		-		-	-		-	-		٠.
-		6,200		-	-		-	•		-
-		-		-	150		-	•		-
6,098		-		-	-		-	-		-
 5,113		-		-	633		-			_
1,058,503		270,306		-	260,235		11,521	101,898		133,123
-				-	-		_	•		_
-		-		-	-		-	-		_
1,213,198		247,815		-	-		-	123,066		146,211
		• .		-	-		•	-		_
-		-			-		-	-		-
-		-		• -			-	-		-
11,431		2.020		-	246,655		6,589	-		-
11,431		3,920		-	7,460		-	-		-
_		-		-	-		-	-		-
 1,224,629		251,735			254115		6.500			
			-		254,115		6,589	123,066	1	146,211
(166,126)		18,571		-	6,120		4,932	(21,168)	((13,088)
-		-		_	-		_	_		
365,267		4,274		-	-		_	8,810		20,850
 (11,368)				-	(28,639)		-	5,610		(7,720)
 353,899		4,274		-	(28,639)		•	8,810		13,130
										,
187,773		22,845		-	(22,519)		4,932	(12.250)		40
28,828		28,322		_	43,593		5,721	(12,358)		42
216,601 \$		51,167 \$		- \$	21,074 \$		10,653 \$	12,440 82 \$		112

						<u>.</u>
Year ended September 30, 2005	70 ····	Elections (214)	Friend of the Court (215)		Public Works (228)	Recycling Project (230)
Revenues						
Taxes	\$	- \$	-	\$	- \$	-
Federal grants		-	460,638		-	-
State grants and distributions		-	-		-	-
Charges for services		17,017	55,792		-	8,134
Contributions from local units		-	-		-	7,542
Special assessments		-	-		-	_
Fines and forfeits		-	-		-	-
Contributions from private sources		-	-		597	92,024
Rents		-	-		-	-
Interest income		-	-		-	-
Reimbursements		708	<u>-</u>		4,823	<u> </u>
Total Revenues		17,725	516,430		5,420	107,700
Expenditures						
Judicial		-	581,594		-	_
General government		83,033	-		-	_
Public safety		-	-		-	_
Public works		-	-		25,381	132,747
Health and welfare		-	-		· -	, <u>-</u>
Community and economic development		-	. -		-	_
Recreation and culture		-			• -	_
Capital outlay		-	-		_	-
Debt principal payments		-	-		-	-
Interest and fiscal charges		-	-		_	_
Total Expenditures		83,033	581,594		25,381	132,747
Revenues over (under) expenditures		(65,308)	(65,164)		(19,961)	(25,047)
Other Financing Sources (Uses) Proceeds from issuance of long-term debt						
Transfers in		44,367	182,625		14 142	-
Transfers out		77,507	(40,357)		14,142	-
Total Other Financing Sources (Uses)		44,367	142,268		14,142	
		11,501	172,200		17,174	
Revenues and other sources over (under) expenditures and other uses		(20,941)	77,104		(5,819)	(25,047)
Fund Balance, at beginning of year		66,925	13,823		1,020	25,458
Fund Balance, at end of year	\$	45,984 \$	90,927	\$	(4,799) \$	
_ de vier of jour	φ	T2,707 V	30,327	Φ	(4,/33) 3	411

			Special Re	Zenue				
				Спис				
:	Gyp Mo Suppressio	th on	Newaygo County Economic Development	Community Development (244-1, 244-2	Public Improvement	Building Safety & Permits	Homestead Exemption Audit	Regis of Dec Automat
	(23	9)	(244)	& 244-3)	(245)	(249)	(255)	(2:
5		- \$	-		\$ -	\$ - \$	- 5	6
		-	-	154,916	-	-		
		-	- -	1.050	-	-	-	
		_	-	1,050	-	365,908	-	49,59
			-	-	-	-	-	
	-	-	-		-	-	-	
	-		-	51,617	•	-	-	
	-	•	-	•	-	-	-	
	_		-	4,673	187	-	12,494	1,05
				98,008 310,264	107	265,000	_	
				310,204	187	365,908	12,494	50,64
	_							
	-		-	-	-	-	11.000	
	-		-	<u>-</u>	-	- 428,497	11,830	15,036
	<u>-</u>		-	-	-		-	
	5,585		-	-	-	-	<u>-</u>	
	-		-	278,644	-	-	-	
	_		-	, -	-	-	-	
	_		- <u>-</u>	<u>-</u>	-			-
			-	- -	-	-	-	-
	5,585		<u>-</u>	278,644	-	428,497	11,830	15.026
	(5,585)		_	31,620	187			15,036
				,	107	(62,589)	664	35,609
	-		-	-		_		
	12,808		-	68,108	-	10,000	-	-
-	12,808		<u>-</u>			(12,600)	-	-
_	12,808			68,108	-	(2,600)		_
	7 222							
	7,223		-	99,728	187	(65,189)	664	35,609
_	33,841		11,000	690,099	7,633	222,766	109	22,688
	41,064	\$	11,000 \$	789,827 \$	7,820 \$	157,577 \$	773 \$	58,297

	_				
Year ended September 30, 2005		Electronic Systems (256-5)	Pride Youth Programs (263)	Program Internationa	h s Dru _l ıl Prevention
Revenues					
Taxes	\$	- (\$ -	\$ -	\$ -
Federal grants		-	-		
State grants and distributions		-		_	10,554
Charges for services		35,046	-	_	10,554
Contributions from local units		-	-	_	_
Special assessments		-	-		_
Fines and forfeits		-	-	-	
Contributions from private sources			-	•	_
Rents		-	-	-	-
Interest income		-	164	117	
Reimbursements		-	43		21,726
Total Revenues		35,046	207	117	32,280
Expenditures					•
Judicial		_	-	_	
General government		17,460	_	_	-
Public safety		•	_	_	-
Public works		-	_	_	_
Health and welfare		-	207	117	32,280
Community and economic development		-	-		52,200
Recreation and culture		-	-	_	_
Capital outlay		78,091	-	-	_
Debt principal payments		-	-	-	_
Interest and fiscal charges		-	_	-	-
Total Expenditures		95,551	207	117	32,280
Revenues over (under) expenditures	÷	(60,505)	-	-	-
Other Financing Sources (Uses) Proceeds from issuance of long-term debt					
Transfers in		-	175 500	•	-
Transfers out		-	175,500	2,905	55,455
Total Other Financing Sources (Uses)			175,500	2,905	55,455
Revenues and other sources over			,	2,703	22,433
(under) expenditures and other uses		(60,505)	175 500	2.005	
Fund Balance, at beginning of year		109,278	175,500 (175,500)	2,905 (2,905)	55,455 (55,455)
Fund Balance, at end of year	\$	48,773 \$	(2.2,200)	\$ - 9	(55,455)
				- 1	р

	Special Revenue					
Drug Law Enforcement (265)	County Law Library (269)		Social		Temporary Child Care (292-1)	Soldier Relie (293
\$ - ,	\$ -	\$ -	\$ -	\$ -	dr.	
•	_	Ψ - -	5 -	56,803	\$ -	\$ 98,736
-	_	-	415,630	402,706	15,000	-
-	-	-	189,261	20,025	15,000	•
78,092	-	•		,	-	_
-	-	-	-	-	_	_
1,163	. -	-	-	-	-	_
-	-	-	-	-	-	-
63	-	-	-	-	-	-
-	-	-	2,514	-	-	14,339
79,318	<u> </u>	-	607,405	479,534	15,000	113,075
_	6,811	•	<u>-</u>	_		
-	-	-	-	-	_	-
71,616	-	-	-	-	-	_
-	-	-	-		-	_
-	-	-	684,459	1,104,716	47,667	83,818
-	-	-	• -	-	-	-
-		-	-	-	-	-
	-		-		-	-
-	_	. -	-	-	-	-
71,616	6,811		684,459	1,104,716	47,667	02.010
7,702	(6,811)	-	(77,054)	(625,182)	(32,667)	83,818 29,257
·					·	•
-	-	-		-	-	_
-	11,314	1,967,659 (828,190)	37,588	617,100	32,667 -	-
-	11,314	1,139,469	37,588	617,100	32,667	
7 702	4.500	1.100 :				
7,702	4,503	1,139,469	(39,466)	(8,082)	-	29,257
21,811	38,436	-	70,353	8,624		166,764
29,513 \$	42,939 \$	1,139,469 \$	30,887 \$	542 \$	- \$	196,021

		Special 1	Reve	nues	<u> </u>		
Year ended September 30, 2005		Veterans' Trust (294)		Commission on Aging (295, 295-1 & 295-2)		Jail Kitchen (466)	Sanitary Sewer Construction (490)
Revenues							(1,5)
Taxes	\$	_	\$	510,720	\$		Φ.
Federal grants	u	_	Ψ	310,720	Ф	-	\$ -
State grants and distributions		883		448,056		-	-
Charges for services		-		9,361		-	
Contributions from local units		-		9,301		-	•
Special assessments		-		-		-	-
Fines and forfeits		-		-		-	-
Contributions from private sources		-		511 207			-
Rents		-		511,387		-	•
Interest income		-		11 200		-	-
Reimbursements		-		11,389		-	-
Total Revenues		883		882 · 1,491,795			
Expenditures				-, ., ., .,		-	-
Judicial							
General government		-		-		-	-
Public safety		-		-		-	-
Public works		-		-		-	-
Health and welfare		1,188		-		-	-
Community and economic development		1,100		1,468,412		-	-
Recreation and culture		-		-		-	-
Capital outlay		-		-		-	-
Debt principal payments		-		5,272		-	52,284
Interest and fiscal charges		-		-		-	-
Total Expenditures		1 100		-			
		1,188		,473,684			52,284
Revenues over (under) expenditures		(305)		18,111		•	(52,284)
Other Financing Sources (Uses)							
Proceeds from issuance of long-term							
debt		_		-		_	490,000
Transfers in		-		72,468			490,000
Transfers out		_		(35,973)		_	-
Total Other Financing Sources (Uses)		-		36,495		- : -	490,000
Revenues and other sources over			-				.,,,,,,,,
(under) expenditures and other uses		(305)		54,606		-	437,716
Fund Balance, at beginning of year		772		330,263		7,417	757,710
Fund Balance, at end of year	\$	467 \$			<u> </u>		
, , , , , , , , , , , , , , , , , , , ,	9	407 3		384,869	_\$	7,417 \$	437,716

FIA Drain Brooks Lake Hess Lake Board (498) Revolving (802) (845) (846) (847) (847) (849) (849) (8 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$							
FIA Construction Revolving (802)			Capital Project	S			
8,615 21,336 15,172 37,500 5,91 10,934 - 8,615 21,336 15,172 37,500 5,91 10,934 - 8,615 21,336 15,172 37,500 5,91	Construction	Revolving	Board	Improvement	Lake Board	Lake Board	Eng Wrigh Lake Boar (850
8,615 21,336 15,172 37,500 5,91 10,934 - 8,615 21,336 15,172 37,500 5,91 10,934 - 8,615 21,336 15,172 37,500 5,91	s - s		¢.	¢	¢ r		
10,934 - 8,615 21,336 15,172 37,500 5,91	- υ	-	-	J -	υ - υ -	- 1	
10,934 - 8,615 21,336 15,172 37,500 5,91 10,934 - 8,615 21,336 15,172 37,500 5,91	-	-	-	-	-	_	
10,934 - 8,615 21,336 15,172 37,500 5,91	-	-	-	-	-	-	-
10,934 - 8,615 21,336 15,172 37,500 5,91	-	-	0.615	-	-	-	-
10,934 - 8,615 21,336 15,172 37,500 5,91	-	-	8,615	21,336	15,172	37,500	5,911
10,934 - 8,615 21,336 15,172 37,500 5,91	-	-	-	-	-	-	- -
10,934 - 8,615 21,336 15,172 37,500 5,91 -	-	-	-	-	-	-	-
	10,934	-	-	-	-		•
	10 934	-	9 6 1 5	21 226	15 170	27.500	
5,992 18,326 19,648 14,944 6,66 10,934 - 2,623 3,010 (4,476) 22,556 (750	10,254	-	6,013	21,330	15,1/2	37,500	5,911
5,992 18,326 19,648 14,944 6,66 10,934 - 2,623 3,010 (4,476) 22,556 (750	_	_					
5,992 18,326 19,648 14,944 6,66 10,934 - 2,623 3,010 (4,476) 22,556 (750	-	-	-	-	-	_	- -
5,992 18,326 19,648 14,944 6,66 10,934 - 2,623 3,010 (4,476) 22,556 (750	-	-	-	-	-	-	-
5,992 18,326 19,648 14,944 6,66 10,934 - 2,623 3,010 (4,476) 22,556 (750	-	-	-	-	-	-	-
5,992 18,326 19,648 14,944 6,66 10,934 - 2,623 3,010 (4,476) 22,556 (750	-	-	-		-	-	-
5,992 18,326 19,648 14,944 6,66 10,934 - 2,623 3,010 (4,476) 22,556 (750	- -	-	-	-	-	-	-
5,992 18,326 19,648 14,944 6,66 10,934 - 2,623 3,010 (4,476) 22,556 (750	-	• •	5,992	18,326	19.648	14.944	6 661
10,934 - 2,623 3,010 (4,476) 22,556 (750 	-	-	•	-	· -	-	•,001
10,934 - 2,623 3,010 (4,476) 22,556 (750 	•		5.000	10.006	_	_	
10,934 - 2,623 3,010 (4,476) 22,556 (750 445,655 - 9,351 38,439 20,766 32,656 8,591		_				14,944	6,661
10,934 - 2,623 3,010 (4,476) 22,556 (750 445,655 - 9,351 38,439 20,766 32,656 8,591	10,934	-	2,623	3,010	(4,476)	22,556	(750)
10,934 - 2,623 3,010 (4,476) 22,556 (750 445,655 - 9,351 38,439 20,766 32,656 8,591	•	-	<u>-</u>	_	-	-	_
10,934 - 2,623 3,010 (4,476) 22,556 (750 445,655 - 9,351 38,439 20,766 32,656 8,591	-	•	-	-	-	-	-
10,934 - 2,623 3,010 (4,476) 22,556 (750 445,655 - 9,351 38,439 20,766 32,656 8,591	-	-	•	-	_	-	
445,655 - 9,351 38,439 20,766 32,656 8,591		*	-	-	-	-	-
<u>445,655</u> - 9,351 38,439 20,766 32,656 8,591	10,934	-	2,623	3,010	(4,476)	22,556	(750)
457,500	445,655	<u> </u>					
	456,589 \$	- \$	11,974 \$		16,290 \$	55,212 \$	7,841

		Debt S	Service
Year ended September 30, 2005		ISD (395)	FIA (397)
Revenues			
Taxes	\$	-	\$ -
Federal grants		-	_
State grants and distributions		_	-
Charges for services		-	-
Contributions from local units		67,178	-
Special assessments		<u>-</u>	
Fines and forfeits			-
Contributions from private sources	•	-	_
Rents		-	_
Interest income		_	-
Reimbursements		-	-
Total Revenues		67,178	-
Expenditures		•	
Judicial			
General government		-	-
Public safety		-	-
Public works		-	-
Health and welfare		-	-
Community and economic development		-	-
Recreation and culture		-	-
Capital outlay		-	-
Debt principal payments		40.000	175.000
Interest and fiscal charges		40,000	175,000
Total Expenditures		27,316	64,341
Revenues over (under) expenditures		67,316	239,341
, -		(138)	(239,341)
Other Financing Sources (Uses)			
Proceeds from issuance of long-term			
debt		-	-
Transfers in		-	239,150
Transfers out			
Total Other Financing Sources (Uses)			239,150
Revenues and other sources over			
(under) expenditures and other uses		(138)	(191)
Fund Balance, at beginning of year		138	191
Fund Balance, at end of year	\$	- \$	· · · · · · · · · · · · · · · · · · ·
	Ψ		

		Hen major	OOVCIII	
_				
Permanent				
Funds				
Cemetery	Total			
Trust	All			
(151)	Funds			
_				
\$ -	\$ 1,631,077			
-	828,188			
•	1,446,186			
	1,316,474			
-	330,597			
-	88,534			
-	1,163			
-	673,129			
·	150			
1	64,028			
	132,336			
1	6,511,862			
_	588,405			
-	169,044			
-	2,623,220			
_	158,128			
-	3,428,449			
_ ·	278,644			
-	253,244			
· <u>-</u>	224,029			
-	215,000			
-	91,657			
-	8,029,820			
1	(1,517,958)			
	(1,017,750)			
•	400.000			
-	490,000			
-	4,071,095			
_	(965,847)			
-	3,595,248			
1	2,077,290			
239	2,365,830			
\$ 240	\$ 4,443,120			

September 30, 2005	2000 and Prior Delinquent Tax (516, 516-1, 516-2, 516-5 & 516-995)	2001 Delinquent Tax (516-12 & 516-15)	2002 Delinquent Tax (516-22 & 516-25)-
Assets	- ·		
Current Assets			
Cash and cash equivalents	\$ 480,399	\$ 518,014 \$	320,707
Investments	3,100,343	196,089	300,167
Taxes and other receivables	375,000	-	-
Due from other funds	23,000	-	
Total Current Assets	3,978,742	714,103	620,874
Non-current Assets			
Long-term advances to other funds	329,940	-	77,589
Delinquent taxes receivable	9,977	6,972	25,849
Total Assets	4,318,659	721,075	724,312
Liabilities and Net Assets			
Liabilities			
Checks issued against future deposits		-	.=
Accounts payable	-	1,083	240
Accrued wages payable	304	-	-
Total Liabilities	304	1,083	240
Net Assets			
Unreserved	4,318,355	719,992	724,072
Total Net Assets	\$ 4,318,355 \$	\$ 719,992 \$	724,072

Non-Major Proprietary Funds Combining Statement of Net Assets

	2003	2004		
	Delinquent	Delinquent _	Building	
	Tax	Tax	Authority	_
	(516-32)	(516-42)	(569)	Total
\$	64,538 \$	- \$	211,498 \$	1,595,156
	-	-	-	3,596,599
	-	-	-	375,000
	64,538	-	211,498	23,000
	04,556	-	211,498	5,589,755
	-	-	-	407,529
	437,107	2,052,652	-	2,532,557
	501,645	2.052.652	211 400	0.500.044
	301,043	2,052,652	211,498	8,529,841
	-	1,561,302	•	1,561,302
	415	785	2,564	5,087
	<u> </u>	•	-	304
	415	1,562,087	2,564	1 566 602
	.13	1,502,007	2,304	1,566,693
	501,230	490,565	208,934	6,963,148
\$	501,230 \$	400 565 · ·	200.024	6.060.446
Ψ	JU1,2JU \$	490,565 \$	208,934 \$	6,963,148

	•		
	2000 and Prior	2001	2002
	Delinquent	Delinquent	Delinquent
	Tax	Tax	Tax
	(516, 516-1, 516-2	(516-12 &	(516-22 &
Year ended September 30, 2005	516-5) & 516-995	516-15)	516-25)
Operating Revenues			
Land sale proceeds	\$ -	. ,	\$ 256,260
Charges for services	14,764	386	9,941
Rents	14,000	-	-
Interest and penalties on delinquent			
taxes	112,498	9,774	102,506
Reimbursements	-	51	194,629
Total Operating Revenue	141,262	63,442	563,336
Operating Expenses			
Supplies and operating expenses	41,785	10	-
Interest expense		-	-
Land sale disbursements	14	54,293	214,427
Total Operating Expenses	41,799	54,303	214,427
Operating Income before Transfers	99,463	9,139	348,909
Transfers			
Transfers in	-	-	-
Transfers out	(470,861)	-	
Total Transfers	(470,861)	-	-
Net Income (Loss)	(371,398)	9,139	348,909
Net Assets, beginning of year	4,689,753	710,853	375,163
Net Assets, end of year	\$ 4,318,355	\$ 719,992 \$	724,072

Non-Major Proprietary Funds
Combining Statement of Revenues, Expenses and

Total	Building Authority (569)	2004 Delinquent Tax (516-42)	2003 Delinquent Tax (516-32)	
309,491 170,827 331,180	- \$ - 317,180	- \$ 88,260 -	\$ - \$ 57,476	\$
949,287 294,872	-	403,805	320,704 100,192	
2,055,657	317,180	492,065	478,372	
126,436 17,492 401,986	83,117	1,500 - -	24 17,492 133,252	-
545,914	83,117	1,500	150,768	
1,509,743	234,063	490,565	327,604	
(717,268)	(246,407)	-	<u> </u>	
(717,268)	(246,407)	-	-	
792,475	(12,344)	490,565	327,604	
6,170,673	221,278	<u> </u>	173,626	
6,963,148	208,934 \$	490,565 \$	\$ 501,230 \$	\$

	20	00 and Prior		2001	2002
		Delinquent		Delinquent	Delinquent
		Tax		Tax	Tax
	(516, 5	516-1, 516-2		(516-12 &	(516-22 &
Year ended September 30, 2005		& 516-995)		516-15)	516-25)
Cash Flows from Operating Activities					
Receipts from customers and users	\$	114,557	\$	415,718	\$ 865,486
Payments to suppliers		(267,757)		(54,882)	(473,237)
Payments to employees		(25,582)		-	-
Payments for interfund services used		(305,356)		-	-
Interest income		104,025		3,906	 17,714
Net Cash Provided by (Used for) Operating Activities		(380,113)		364,742	409,963
Cash Flows from Capital and Related					
Investing Activities					and the second second
Purchase of investments		-		(97,187)	(167)
Proceeds from sales and maturities of					
investments		319,654		• -	-
Long-term advances to other funds		110,542			(89,089)
Net Cash Provided by (Used for) Capital					
and Related Investing Activities		430,196		(97,187)	(89,256)
Cash Flows from Non-Capital Financing Activities					
Transfers in		-		-	-
Transfers out		(470,861)			
Net Cash Used for Non-Capital Financing Activities		(470,861)		•	•
Cash Flows from Capital and Related					
Financing Activities					
Principal payment on long-term debt		-			-
Increase (Decrease) in Cash		(420,778)		267,555	320,707
Cash, beginning of year		901,177		250,459	<u> </u>
Cash, end of year	\$	480,399	\$	518,014	\$ 320,707

Non-Major Proprietary Funds Combining Statement of Cash Flows

2003 2004 Delinquent Tax Delinquent Tax Building Authority (516-32) Total \$ 1,786,769 \$ - \$ 317,180 \$ 3,499,710 (150,353) - (83,063) (1,029,292) (25,582) (11,000) - (316,356) 3,236 - 128,881 1,628,652 - 234,117 2,257,361 (97,354) - 319,654 - 21,453 (246,407) (717,268) - (246,407) (717,268) (1,865,000) - (246,407) (717,268) (1,865,000) - (12,290) (81,154) 300,886 - 223,788 1,676,310 \$ 64,538 - \$ 211,498 1,595,156						
Delinquent Tax Tax Authority (516-32) (516-42) (569) Total \$ 1,786,769 \$ - \$ 317,180 \$ 3,499,710 (150,353) - (83,063) (1,029,292) (25,582) (11,000) - (316,356) 3,236 - 128,881 1,628,652 - 234,117 2,257,361 (97,354) (97,354) 21,453 (246,407) (717,268) (1,865,000) (1,865,000) (1,865,000) (236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310		2003		2004		
Tax (516-32) (516-42) (569) Total \$ 1,786,769 \$ - \$ 317,180 \$ 3,499,710 (150,353) - (83,063) (1,029,292) (25,582) (11,000) - (316,356) 3,236 - 128,881 1,628,652 - 234,117 2,257,361 (97,354) (97,354) 243,753 243,753 (246,407) (717,268) - (1,865,000) - (1,865,000) (236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310					Building	
\$ 1,786,769 \$ - \$ 317,180 \$ 3,499,710 (150,353) - (83,063) (1,029,292) (25,582) (11,000) - (316,356) 3,236 - 128,881 1,628,652 - 234,117 2,257,361 (97,354) (246,407) (717,268) (246,407) (717,268) (246,407) (717,268) - (246,407) (717,268) (1,865,000) (1,865,000) (236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310		_		-		
\$ 1,786,769 \$ - \$ 317,180 \$ 3,499,710 (150,353) - (83,063) (1,029,292) (25,582) (11,000) - (316,356) 3,236 - 128,881 1,628,652 - 234,117 2,257,361 (97,354) 21,453 243,753 (246,407) (717,268) (246,407) (717,268) - (246,407) (717,268) - (246,407) (717,268) (1,865,000) (1,865,000) (236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310		(516-32)		(516-42)	•	Total
(150,353) - (83,063) (1,029,292) - (25,582) (11,000) - (316,356) 3,236 - 128,881 1,628,652 - 234,117 2,257,361 (97,354) 319,654 21,453 (246,407) (717,268) - (246,407) (717,268) - (246,407) (717,268) (1,865,000) - (1,865,000) (236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310					· · · · · · · · · · · · · · · · · · ·	
(150,353) - (83,063) (1,029,292) - - (25,582) (11,000) - - (316,356) 3,236 - - 128,881 1,628,652 - 234,117 2,257,361 - - - 97,354) - - - 21,453 - - - 243,753 - - - (246,407) (717,268) - - (246,407) (717,268) (1,865,000) - (1,865,000) (236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310	\$	1,786,769	\$	-	\$ 317,180	\$ 3,499,710
$\begin{array}{cccccccccccccccccccccccccccccccccccc$		(150,353)		-		
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		-		-	-	
1,628,652 - 234,117 2,257,361 (97,354) 319,654 21,453 243,753 (246,407) (717,268) - (246,407) (717,268) (1,865,000) - (1,865,000) (236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310		, , ,		-	-	
(97,354) 319,654 21,453 243,753 (246,407) (717,268) - (246,407) (717,268) - (246,407) (717,268) (1,865,000) - (1,865,000) (236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310				-	 	128,881
$\begin{array}{cccccccccccccccccccccccccccccccccccc$		1,628,652		-	234,117	2,257,361
$\begin{array}{cccccccccccccccccccccccccccccccccccc$						
$\begin{array}{cccccccccccccccccccccccccccccccccccc$						(0.5.05.4)
21,453 243,753 (246,407) (717,268) - (246,407) (717,268) - (246,407) (717,268) (1,865,000) - (1,865,000) (236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310		-			-	(97,354)
243,753 (246,407) (717,268) - (246,407) (717,268) (1,865,000) - (1,865,000) (236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310		-			-	319,654
(1,865,000) - (246,407) (717,268) (1,865,000) - (1,865,000) (236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310	_	-		-	-	21,453
(1,865,000) - (246,407) (717,268) (1,865,000) - (1,865,000) (236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310		-		-	_	243 753
(1,865,000) - (1,865,000) (236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310						240,755
(1,865,000) - (1,865,000) (236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310		=		•	_	_
(1,865,000) - (1,865,000) (236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310				-	(246,407)	(717,268)
(236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310		-			 (246,407)	
(236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310						
(236,348) - (12,290) (81,154) 300,886 - 223,788 1,676,310		(1.865.000)				(4.04=.000)
300,886 - 223,788 1,676,310		(1,005,000)		-	 -	(1,865,000)
f (4.500 f		(236,348)		-	(12,290)	(81,154)
\$ 64,538 \$ - \$ 211,498 \$ 1,595,15 6		300,886		-	 223,788	1,676,310
	\$	64,538	<u> </u>	- \$	211,498 \$	1,595,156

	200	00 and Prior	2001	2002
		Delinquent	Delinquent	Delinquen
		Tax	Tax	Tax
	(516, 5	316-1, 516-2	(516-12 &	(516-22 &
Year ended September 30, 2005	516-5	& 516-995)	516-15)	516-25
Reconciliation of Operating Income			•	
to Net Cash Provided by (Used for)				
Operating Activities				
Operating income	\$	99,463	\$ 9,139	\$ 348,909
Adjustments to reconcile operating income to	•		•	•
net cash provided by (used for) operations				
Changes in assets and liabilities				
Delinquent taxes receivable		10,289	5,952	234,864
Taxes and other receivables		(257,469)	350,230	85,000
Due from other funds		69,644	-	-
Checks issued against future				
deposits		(301,814)	-	(256,187)
Accounts payable		(309)	(579)	(2,623)
Accrued liabilities		83	-	•
Due to other funds		-	-	-

Non-Major Proprietary Funds Combining Statement of Cash Flows

2003 Delinquent Tax (516-32)	t C	2004 Delinquent Tax (516-42)	Building Authority (569)	Total
\$ 327,604	\$	490,565 \$	234,063 \$	1,509,743
1,310,139 1,494		(2,052,652)	- - -	(491,408) 179,255 69,644
-		1,561,302	-	1,003,301
415		785	54	(2,257)
(11.000)		-	-	83
 (11,000)		-	-	(11,000)
\$ 1,628,652	\$	- \$	234,117 \$	2,257,361

	_		0		a		Information
			-				Services
V			•				Projects
•	(631)		(632))	(633)		(635)
\$	20,157	\$	32,470	\$	112,621	\$	_
	-				· -		_
			_		_		_
	20,157		32,470		112,621		•
	97,891		_		106.778		_
			-		•		-
	47,525		-		51,709	-	-
	(7.690		22.470		151.000		
**	67,682		32,470	-	164,330		
	19,521		_		81		_
	=		2,379				_
	-		-,		-		_
	23,087		2,379		221	7500	-
	-		-		_		_
	23.087		2 270		221		
	25,007		2,379		221		-
	47,525		-		51,709		-
	(2,930)		30,091		112,400		
\$	44,595	\$	30,091	\$	164,109	s	_
	\$	Grounds Maintenance (631) \$ 20,157 20,157 97,891 (50,366) 47,525 67,682 19,521 3,566 23,087 47,525 (2,930)	20,157 97,891 (50,366) 47,525 67,682 19,521 3,566 23,087 23,087 47,525 (2,930)	Grounds Security (631) (632) \$ 20,157 \$ 32,470	Grounds Campus Security (631) (632) \$ 20,157 \$ 32,470 \$	Grounds Campus Central Maintenance Security Stores (631) (632) (633) \$ 20,157 \$ 32,470 \$ 112,621	Grounds Maintenance Maintenance (631) Campus Scourity Stores (633) Central Stores (632) \$ 20,157 \$ 32,470 \$ 112,621 \$

Internal Service Funds Combining Balance Sheet

	Information	D	Drain	Building		PC	
	Services	Drain	Maintenance	Demolition		Coordinator	Fo
	(636)	Computer (637)	& Construction	Revolving	Duplicating	Training	Servi
	(030)	(037)	(638)	(642)	(645)	(647)	(65
				•			
\$	115,029 \$	1,208	\$ 23,465 \$	10,295 \$	140,250	\$ 121,273 \$	34,69
	1,471	-	-	-	-	-	
_	116,500	1,208	22.465	201	110.000		
	110,500	1,200	23,465	10,496	140,250	121,273	34,697
	358,969	-	35,240	-	157,278	· -	_
	(271,168)		(14,315)		(120,837)	-	_
	87,801	-	20,925	-	36,441	-	
	204,301	1,208	44,390	10,496	176,691	121,273	34,697
	9,207	-	-	3	1,076	7	34,501
	4,848	-	1,569	163	-,	, 796	190
		-		10,000	-	•	170
	14,055	-	1,569	10,166	1,076	803	34,691
		· 	7,000			-	-
	14,055	-	8,569	10,166	1,076	803	34,691
	05.004					•	
	87,801	-	20,925	-	36,441	-	_
	102,445	1,208	14,896	330	139,174	120,470	6
	190,246 \$	1,208 \$	35,821 \$	330 \$	175,615 \$	120,470 \$	6

		Telephone System		Motor Pool		Unemploy- ment	Health and Wellness
September 30, 2005		(656)		(661)		(676)	(677)
Assets	•					(0,0)	(077)
Current Assets							
Cash and cash equivalents	5	191,121	ď	12 022	•	210.000	
Due from other governmental units	4	, 191,121	\$	12,833	\$	218,093	262,841
Taxes and other receivables		, -		-		-	-
Total Current Assets	····	191,121		12,833		218,093	1,238 264,079
Non-Current Assets						,	204,077
Property and equipment		51.050					
Accumulated depreciation		51,270	٤	1,187,357		-	-
1 recumulated depreciation		(33,012)		(973,681)			-
		18,258		213,676			
Total Assets		209,379		226,509		218,093	264,079
Liabilities and Net Assets							
Liabilities							
Current Liabilities							
Accounts payable		1,390		17			
Accrued wages payable		80		17		-	-
Due to other funds		-		27,614		289	2,185
Total Current Liabilities		1,470		27,631		289	2.105
Non-Change At 1 1914		-,		27,031		209	2,185
Non-Current Liabilities							
Long-term advances from other funds		-		-			
Total Liabilities		1,470		27,631		289	2,185
Net Assets							
Investment in capital assets, net of							
related debt		18,258		213,676			
Unreserved		189,651		(14,798)		217,804	261.004
				(14,770)		217,004	261,894
Total Net Assets	\$	207,909 \$		198,878 \$		217,804 \$	261,894

Internal Service Funds Combining Balance Sheet

						3	
				D C			
	Liability	Equipment	Building	Reserve for		Retiree Health	
	Insurance	Pool	Renovation	Operational Contingencies	Workers'	Insurance	
	(678)	(692)	(694)	(695)	Compensation	Program	m
	(070)	(032)	(094)	(093)	(696)	(731-1)	Total
\$	225,083	80,621 \$	43,941	\$ 575,159	\$ 339,843	\$ 741,956	\$ 3,302,956
	_ ·	-	11,448	-	-	Ψ 741,550 •	11,448
	-	-		_	-	_	2,910
	225,083	80,621	55,389	575,159	339,843	741,956	3,317,314
			•	•	•	· - y	-,-1, ,-1 ;
	-	11,890	-		-	-	2,006,673
		(1,347)	-	-		-	(1,519,795)
	•	10,543	-	-	-	-	486,878
	225,083	91,164	55,389	575,159	220 042	741.056	2004400
	223,003	71,104	33,369	373,139	339,843	741,956	3,804,192
				•			
	-	-	_	_	-		65,803
	396	· •	542	_	324	_	17,467
	-	-	14,000	-	-	_	51,614
	396		14,542	-	324		134,884
			•				15 1,001
		-	-		<u> </u>	-	7,000
	396	_	14,542		324	_	1/1 00/
			11,512		324	-	141,884
	-	10,543	-	-	-	-	486,878
	224,687	80,621	40,847	575,159	339,519	741,956	3,175,430
e	114 COT #	01.164	40.04#				
\$	224,687 \$	91,164 \$	40,847 \$	575,159 \$	339,519 \$	741,956	3,662,308

		· · · · · · · · · · · · · · · · · · ·			_			
Year ended September 30, 2005		Building Grounds Maintenance (631)	s e	Campus Security (632)	7	Central Stores (633)	,	Information Services Projects (635)
Operating Revenues								
Charges for services Interest income	\$	444,248	\$	129,202	\$	7,404	\$	208
Reimbursements		-		-		-		-
Other		-		-		-		-
Total Operating Revenues	1	444,248		129,202		7,404		208
Operating Expenses								
Supplies and operating expenses Depreciation		558,927		134,084		31,404		1,989
Depreciation		6,526				10,258		
Total Operating Expenses		565,453		134,084		41,662		1,989
Operating Income (Loss) before Transfers		(121,205)		(4,882)		(34,258)		(1,781)
Transfers		Ý						
Transfers in		83,770		12,094		30,000		50.246
Transfers out				-		30,000		58,346 (127,466)
Total Transfers		83,770		12,094		30,000	<u> </u>	(69,120)
Net Income (Loss)		(37,435)		7,212		(4,258)		(70,901)
Net Assets, at beginning of year		82,030		22,879		168,367		70,901
Net Assets, at end of year	\$	44,595	<u> </u>	30,091	<u> </u>	164,109 \$		<u>-</u>

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

	Information	Denie	Drain	Building		PC	
	Services	Drain Computer	Maintenance	Demolition	D 11 11	Coordinator	Food
	(636)	(637)	& Construction (638)	Revolving (642)	Duplicating	Training	Service
	(030)	(037)	(038)	(042)	(645)	(647)	(652)
\$	80,687 \$		\$ 137,912 \$	d	54.026	Φ	
Ψ	00,087 \$ -	28	183	- 3	54,936	\$ - \$	444,424
	283	-	103	-	-	100	-
			1,861	-	_	-	-
	80,970	28	139,956	-	54,936	100	444,424
	561,831 42,568	298	141,867 2,002	12,514	27,384 22,724	67,130	375,460
	604,399	298	143,869	12,514	50,108	67,130	375,460
	(523,429)	(270)	(3,913)	(12,514)	4,828	(67,030)	68,964
	657,920 (46,941)	-	<u>-</u> .	12,600	<u>-</u>	46,941	27,800
	(10,212)					-	(100,000)
	610,979	<u>-</u>	-	12,600	-	46,941	(72,200)
	87,550	(270)	(3,913)	86	4,828	(20,089)	(3,236)
	102,696	1,478	39,734	244	170,787	140,559	3,242
\$	190,246 \$	1,208 \$	35,821 \$	330 \$	175,615 \$		6

Year ended September 30, 2005	Telephone System (656)	ì	Motor Pool (661)	Unemploy- ment (676)	Health and Wellness (677)
Operating Revenues					
Charges for services	\$ 133,832	\$	114,759	\$ _	\$
Interest income				-	-
Reimbursements	1,111		_	36,125	1,801,882
Other			•		
Total Operating Revenues	134,943		114,759	36,125	1,801,882
Operating Expenses				•	
Supplies and operating expenses	77,414		1,337	45,996	2,364,846
Depreciation	 5,127		163,012	 , <u>-</u>	-
Total Operating Expenses	 82,541		164,349	 45,996	2,364,846
Operating Income (Loss) before Transfers	52,402		(49,590)	(9,871)	(562,964)
Transfers					
Transfers in	_		7,720	_	
Transfers out	 •		-	-	
Total Transfers	_		7,720	 -	 -
Net Income (Loss)	52,402		(41,870)	(9,871)	(562,964)
Net Assets, at beginning of year	155,507		240,748	227,675	824,858
Net Assets, at end of year	\$ 207,909	\$	198,878	\$ 217,804 \$	261,894

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

,			Reserve for		Retiree Health	
Liability	Equipment	Building	Operational	Workers'	Insurance	
Insurance	Pool	Renovation	Contingencies	Compensation	Program	
 (678)	(692)	(694)	(695)	(696)	(731-1)	Total
\$ -	\$ - \$	63,373	\$ -	\$ -	\$ -	\$ 1,610,985
-	-	-	36,750	30,898	-	67,859
334,570	418	-	58,555	192,861	46,550	2,472,455
 -	5,108		-	<u> </u>		6,969
334,570	5,526	63,373	95,305	223,759	46,550	4,158,268
267,301	2,656 1,347	51,598	2,225	210,666	-	4,936,927
	1,577		<u>-</u>	-		253,564
 267,301	4,003	51,598	2,225	210,666	_	5,190,491
67,269	1,523	11,775	93,080	13,093	46,550	(1,032,223)
_	-	10,000	28,639	_		975,830
-	_	(32,929)	(107,962)	- -	_	(415,298)
_	_	(22,929)	(79,323)	_		560,532
 		(22,727)	(17,323)			500,532
67,269	1,523	(11,154)	13,757	13,093	46,550	(471,691)
 157,418	89,641	52,001	561,402	326,426	695,406	4,133,999
\$ 224,687 \$	91,164 \$	40,847 \$	575,159	339,519	\$ 741,956 s	3,662,308

		Building			Information
		Grounds	Campus	Central	Services
	1	Maintenance	Security	Stores	Projects
Year ended September 30, 2005		(631)	(632)	(633)	(635)
Cash Flows from Operating Activities					
Receipts from customers and users	\$	444,248 \$	129,202 \$	7,404 \$	208
Payments to suppliers	•	(318,018)	(981)	(13,111)	(56,047)
Payments to employees		(247,837)	(132,403)	(18,466)	(2,507)
Payments for interfund services used		-		-	(2,507)
Interest income		_	_	-	_
Net Cash Provided by (Used for)			***		
Operating Activities		(121,607)	(4,182)	(24,173)	(58,346)
Cash Flows from Capital and Related					
Investing Activities					
Proceeds from sales and maturities of					
investments		-	-	-	-
Cash Flows from Non-Capital Financing					
Activities					
Transfers from other funds		83,770	12,094	30,000	58,346
Transfers to other funds		<u>-</u>	-	-	-
Net Cash Provided by (Used for) Non-					
Capital Financing Activities		83,770	12,094	30,000	58,346
Cash Flows from Capital and Related					
Financing Activities					
Proceeds from sale of fixed assets		_	-	-	-
Repayment of long-term advances		-	-	-	-
Purchases of fixed assets		-	-	(25,176)	-
Net Cash Provided by (Used for) Capital					
Related Financing Activities		-	-	(25,176)	•
Increase (Decrease) in Cash		(37,837)	7,912	(19,349)	-
Cash, at beginning of year		57,994	24,558	131,970	
Cash, at end of year	\$	20,157 \$	32,470 \$	112,621 \$	

Internal Service Funds
Combining Statement of Cash Flows

Information	Drain	Drain Maintenance	Building Demolition		PC Coordinator	Food
Services	-	& Construction	Revolving	Duplicating	Training	Service
 (636)	(637)	(638)	(642)	(645)	(647)	(652)
\$ 80,970 \$ (208,896) (357,194)	- \$ (298) -	3 139,773 \$ (41,450) (100,420)	- \$ (2,655) (9,825)	54,936 \$ (26,894) - -	\$ 100 \$ (2,968) (64,566)	444,424 (358,798) (10,601)
-	28	183	-		<u> </u>	-
(485,120)	(270)	(1,914)	(12,480)	28,042	(67,434)	75,025
-	-	. -	• •	· •	-	-
530,454	_	_	12,600	_	46,941	27,800
(46,941)	-	-	-	-	-	(100,000)
 483,513	-		12,600	-	46,941	(72,200)
 - - (2,904)	- - -	(3,500)	- -	(17,688)	- - -	- - -
(2,904)	•	(3,500)	-	(17,688)	_	-
(4,511)	(270)	(5,414)	120	10,354	(20,493)	2,825
 119,540	1,478	28,879	10,175	129,896	141,766	31,872
\$ 115,029 \$	1,208 \$	23,465 \$	10,295 \$	140,250 \$	121,273 \$	34,697

Year ended September 30, 2005]	Building Grounds Maintenance (631)	Campus Security (632)	Central Stores (633)	Information Services Projects (635)
			()	(000)	(035)
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	\$	(121,205) \$	(4,882) \$	(34,258) \$	(1,781)
Depreciation		6,526	•	10,258	_
Changes in assets and liabilities				•	
Taxes and other receivables		-	-	-	-
Checks issued against future deposits		_	_	_	(55,838)
Accounts payable		(7,564)	_	(114)	(33,838) (125)
Accrued liabilities		636	700	(59)	(602)
Due to other funds		-	-	(37)	(002)
Net Cash Provided by (Used for)					
Operating Activities	\$	(121,607) \$	(4,182) \$	(24,173) \$	(58,346)

Internal Service Funds
Combining Statement of Cash Flows

 Information Services (636)	Drain Computer (637)	Drain Maintenance & Construction (638)	Building Demolition Revolving (642)	Duplicating (645)	PC Coordinator Training (647)	Food Service (652)
\$ (523,429) \$	(270)	\$ (3,913) \$	(12,514) \$	4,828 \$	(67,030) \$	68,964
42,568	-	2,002	-	22,724	-	
-	-	-	-	· · · · · · · · · · · · · · · · · · ·	-	•
 (5,895) 1,636	- - -	(27) 24	3 31	- 490 - -	- 7 (411) -	6,031 30
\$ (485,120) \$	(270) \$	(1,914) \$	(12,480) \$	28,042 \$	(67,434) \$	75,025

Year ended September 30, 2005	·······	Telephone System (656)		Motor Pool (661)		Unemploy- ment (676)	Health and Wellness (677)
Cash Flows from Operating Activities							
Receipts from customers and users	\$,	\$	114,759	\$	•	\$ 1,803,543
Payments to suppliers Payments to employees		(74,246)		(1,757)		(29,144)	(2,211,156)
Payments for interfund services used		(5,042)		-		(16,802)	(154,624)
Interest income		- -		<u>-</u>		•	-
Net Cash Provided by (Used for)				<u> </u>			
Operating Activities		66,952		113,002		(9,821)	(562,237)
Cash Flows from Capital and Related Investing Activities Proceeds from sales and maturities of investments		· -					-
Cash Flows from Non-Capital Financing							
Activities							
Transfers from other funds		-		7,720		-	
Transfers to other funds		_		-			-
Net Cash Provided by (Used for) Non-							
Capital Financing Activities		-		7,720			-
Cash Flows from Capital and Related Financing Activities							
Proceeds from sale of fixed assets		-		3,664		_	_
Repayment of long-term advances				-		-	_
Purchases of fixed assets			(1	65,544)		-	_
Net Cash Provided by (Used for) Capital							
Related Financing Activities		-	(1	61,880)		-	
Increase (Decrease) in Cash		66,952	(4	41,158)		(9,821)	(562,237)
Cash, at beginning of year		124,169		53,991		227,914	825,078
Cash, at end of year	\$	191,121 \$	S :	12,833	S	218,093 \$	262,841

Internal Service Funds
Combining Statement of Cash Flows

-							
	T 1 1 11.			Reserve for		Retiree Health	
	Liability	Equipment	Building	Operational	Workers'	Insurance	
	Insurance	Pool	Renovation	Contingencies	Compensation	Program	
_	(678)	(692)	(694)	(695)	(696)	(731-1)	Total
					·		10tai
	t 224 570 d						
	\$ 334,570 \$, — — •		\$ 58,555	\$ 192,861	\$ 46,550	\$ 4,101,497
	(317,855)	(12,827)	(16,022)	(4,400)	-	-	(3,697,523)
	(21,691)	-	(37,009)	-	(19,692)	_	(1,198,679)
	-	-	-	(1,279,608)	(190,909)	-	(1,470,517)
_	-			36,750	30,898		67,859
	(4,976)	(7.201)	0.450				
	(4,370)	(7,301)	8,472	(1,188,703)	13,158	46,550	(2,197,363)
							,
	-	_		1,230,115	•		
			-	1,230,113	-	•	1,230,115
	•						
	-	-	10,000	28,639			
		-	(32,929)	(107,962)		-	848,364
			(==,,==,)	(107,702)	-	-	(287,832)
	-	-	(22,929)	(79,323)	_		560.500
				())		-	560,532
	-	-	-	-	-	_	3,664
	-	-	-	-	-		(3,500)
		(11,890)	-			-	(223,202)
		(11.000)	•				(===,===)
	-	(11,890)		-	-	_	(223,038)
	(4,976)	(10 101)	(14.455)				
	(3,270)	(19,191)	(14,457)	(37,911)	13,158	46,550	(629,754)
	230,059	99,812	50 200	(10.0=0			,
		77,012	58,398	613,070	326,685	695,406	3,932,710
\$	225,083 \$	80,621 \$	43,941 \$	575 150 m	220.045		
	·	- , Ψ	73,7 7 1 \$	575,159 \$	339,843 \$	741,956 \$	3,302,956

Year ended September 30, 2005		Telephone System (656)	Motor Pool (661)	Unemploy- ment (676)	Health and Wellness (677)
Reconciliation of Operating Income (Loss)					
to Net Cash Provided by (Used for) Operating Activities					
Operating income (loss)	\$	52,402 \$	(49,590) \$	(9,871) \$	(562,964)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	*		(17,670)	(>,0/1) ψ	(302,304)
Depreciation		5,127	163,012	-	<u>-</u>
Changes in assets and liabilities		- ,	,		
Taxes and other receivables		11,297	-	-	1,661
Checks issued against future					
deposits		-	-	-	-
Accounts payable		(1,892)	(420)	-	(1,346)
Accrued liabilities		18	-	50	412
Due to other funds		-	-	-	_

Internal Service Funds
Combining Statement of Cash Flows

Total	Retiree Health Insurance Program (731-1)	Workers' Compensation (696)	Reserve for Operational Contingencies (695)	Building Renovation (694)	Equipment Pool (692)	Liability Insurance (678)	
\$ (1,032,223)	\$ 46,550	\$ 13,093	\$ 93,080	11,775	1,523 \$	67,269 \$	\$
253,564	-	-	-	-	1,347	- -	
11,088	-	-	-	(1,870)	•	-	
(55,838)	-	-	(0.175)	(1.560)	(10,171)	(72,307)	
(97,065)	-	-	(2,175)	(1,560) 127	(10,1/1)	62	
2,719	-	65	(1.270.609)	12/	_	-	
(1,279,608)	-		(1,279,608)			· · · · · · · · · · · · · · · · · · ·	

Agency Funds Combining Balance Sheet

					Trust and			
		Central			Agency			
,		Payroll	Trust and	1	Outside		Library	
	Pr	ocessing	Agency	7	Accounts		Penal	
September 30, 2005		(115)	(701)		(702)		(721)	Total
Assets								
Cash and cash equivalents	\$	4,667	\$2,608,284	\$	183,743	\$	70,249	\$ 2,866,943
Due from other funds		-	-		-		1,744	1,744
Undistributed tax collections			763,083				-	763,083
Total Assets	\$	4,667	\$3,371,367	\$	183,743	\$	71,993	\$ 3,631,770
Liabilities								
Accounts payable	\$	-	\$ 24,460	\$	-	\$	26	\$ 24,486
Trust deposits and bonds		-	175,005		83,432		-	258,437
Due to other governments		-	2,887,657		43,996		-	2,931,653
Undistributed receipts		4,667	284,245		56,315	0.0	71,967	 417,194
Total Liabilities	\$	4,667	\$3,371,367	\$_	183,743	\$	71,993	\$ 3,631,770

Agency Funds
Combining Statement of Changes in Assets and Liabilities

		Balanc				Balanc
		October 1	•		6	September 30
		2004	1 Increase	s Decreases		2005
Central Payroll Processing (115)						
Assets						
Cash and cash equivalents	\$	82,344	\$ 17,629,946	\$17,707,623	\$	4,667
Due from other funds	<u> </u>	459	11,445,186		Ψ	4,007
	. \$	82,803	\$ 29,075,132	\$29,153,268	\$	4,667
Liabilities						
Accounts payable	\$	63,462	\$ 756,842	\$ 820,304	\$	
Undistributed receipts		19,341	1,290,276	1,304,950	Ψ	4,667
			_			
	\$	82,803	\$ 2,047,118	\$ 2,125,254	\$	4,667
T						
Trust and Agency (701)						
Assets						
Cash and cash equivalents	\$	5,859,409	\$ 11,479,783	\$14,730,908	\$	2,608,284
Undistributed tax collections		482,143	622,360	341,420	•	763,083
		(241 550	# 10 100 110			
	\$ (6,341,552	\$ 12,102,143	\$15,072,328	\$	3,371,367
Liabilities						
Accounts payable	\$	323,435	\$ 12,249,614	\$12,548,589	\$	24,460
Trust deposits and bonds		167,199	242,024	234,218	Ψ	175,005
Due to other governments	5	5,566,626	8,693,609	11,372,578		2,887,657
Undistributed receipts		284,292	517,093	517,140		284,245
	\$ 6	5,341,552	\$ 21,702,340	\$24,672,525	\$	3,371,367
				The state of the s	_	- ,- , - , - , - , - , - , - , - , - ,

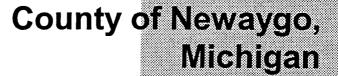
Agency Funds

Combining Statement of Changes in Assets and Liabilities

							Balance
			Inorosco		Doomoogaa	Se	eptember 30,
	2004	•	increases	·	Decreases		2005
\$	269,302	\$	2,464	\$	88,023	\$	183,743
\$	269,302	\$	2,464	\$	88,023	\$	183,743
\$	171,788	\$		\$	88,356	\$	83,432
	43,662		334		•		43,996
	53,852		2,463		-		56,315
\$	269,302	\$	2,797	\$	88,356	\$	183,743
\$	68,376	\$	430,404	\$	428,531	\$	70,249
	-		66,957		65,213		1,744
\$	68,376	\$	497,361	\$	493,744	\$	71,993
er.		¢.	224227	ø	224 201	m	0.0
Ф	- 68 376	Þ	•	Ф		Þ	26 71,967
	00,570		230,010		437,741		/1,30/
\$	68,376	\$	472,345	\$	468,728	\$	71,993
	\$ \$ \$	\$ 269,302 \$ 269,302 \$ 171,788 43,662 53,852 \$ 269,302 \$ 68,376 \$ 68,376	\$ 269,302 \$ \$ 171,788 \$ 43,662 53,852 \$ 269,302 \$ \$ 68,376 \$ \$ 68,376 \$ \$ 68,376	October 1, 2004 Increases \$ 269,302 \$ 2,464 \$ 269,302 \$ 2,464 \$ 171,788 \$ - 43,662 \$ 334 53,852 2,463 \$ 269,302 \$ 2,797 \$ 68,376 \$ 430,404 - 66,957 \$ 68,376 \$ 497,361 \$ - \$ 234,327 68,376 238,018	October 1, 2004 Increases \$ 269,302 \$ 2,464 \$ \$ 269,302 \$ 2,464 \$ \$ 171,788 \$ - \$ 43,662 334 53,852 2,463 \$ \$ 269,302 \$ 2,797 \$ \$ 68,376 \$ 430,404 \$ 66,957 \$ 68,376 \$ 497,361 \$ \$ - \$ 234,327 \$ 238,018	October 1, 2004 Increases Decreases \$ 269,302 \$ 2,464 \$ 88,023 \$ 269,302 \$ 2,464 \$ 88,023 \$ 171,788 \$ - \$ 88,356 43,662 334 - 53,852 2,463 - \$ 269,302 \$ 2,797 \$ 88,356 \$ 68,376 \$ 430,404 \$ 428,531 66,957 65,213 \$ 68,376 \$ 497,361 \$ 493,744 \$ - \$ 234,327 \$ 234,301 68,376 238,018 234,427	October 1, 2004 Increases Decreases \$ 269,302 \$ 2,464 \$ 88,023 \$ \$ 269,302 \$ 2,464 \$ 88,023 \$ \$ 171,788 - \$ 88,356 \$ 43,662 334 53,852 - 2,463

Agency Funds
Combining Statement of Changes in Assets and Liabilities

	Baland October 200	l,	s Decreases	Balance September 30, 2005
Total Trust and Agency				
Assets Cash and cash equivalents Due from other funds Undistributed tax collections	\$ 6,279,431 459 482,143	11,512,143	\$32,955,085 11,510,858 341,420	\$ 2,866,943 1,744 763,083
	6,762,033	41,677,100	44,807,363	3,631,770
Liabilities Accounts payable Trust deposit and bonds Due to other governments Undistributed receipts	\$ 386,897 338,987 5,610,288 425,861	\$ 13,240,783 242,024 8,693,943 2,047,850	\$13,603,194 322,574 11,372,578 2,056,517	\$ 24,486 258,437 2,931,653 417,194
	\$ 6,762,033	\$ 24,224,600	\$27,354,863	\$ 3,631,770



Management Letter Year ended September 30, 2005



3145 Henry Street, Ste. 200 Muskegon, MI 49441-4052 Tel: 231-739-9441 FAX: 231-733-0031 WWW.PRIDNIALAPRES.COM

To the Board of Commissioners County of Newaygo, Michigan

During the course of our audit of the financial statements of the County of Newaygo, Michigan as of September 30, 2005 and for the year then ended, we observed the County's significant accounting policies and procedures and certain administrative, and financial practices.

As a result of our observations, we have prepared for management's review and evaluation, the enclosed memorandum containing suggestions regarding internal control, financial and administrative practices of the County of Newaygo, Michigan.

Matters which related to internal accounting control were not of a magnitude that would effect the presentation of the financial statements.

We appreciate the cooperation from management and the staff of the County of Newaygo, Michigan that our personnel received during the audit.

December 14, 2005

Phiduia Carres PLCC

County of Newaygo, Michigan

Current Year Comments

Adjusting Cash Accounts for Reconciling Items on a Timely Basis

During our review of bank reconciliations, we noted that there were several months of reconciling items outstanding that had not been posted to the general ledger. By allowing reconciling items to accumulate, the bank reconciliations become increasingly difficult and time-consuming to prepare and review.

Recommendation

We recommend the County record adjustments for all reconciling items during the reconciliation process each month. This procedure will improve subsequent reconciliations and eliminate the risk of reflecting inaccurate balances on the general ledger.

Property Tax Chargebacks

During our audit of the Trust and Agency Funds, we noted that there exists a significant asset on the general ledger titled "Undistributed Taxes – Changes." Upon inquiry of this balance, we were informed that this account relates to property tax chargebacks which have not been completed for a number of years. By not accounting for these chargebacks timely, the County runs the risk of having to absorb these chargebacks. The failure to chargeback to local municipalities also has a negative effect on cash flow.

Recommendation

We recommend that property tax chargebacks be completed on an annual basis when the property tax settlements are completed with the other various taxing authorities. This will insure proper cash flow into the County, provide other taxing authorities with correct property tax revenue amounts, and eliminate the risk of the County having to absorb the chargebacks.

Information Systems - Access

During our review of the County's information system controls, it was noted that an outside contractor was hired by the County Treasurer to perform consulting services related to cash reconciliations and other accounting functions. Through inquiry of the County's personnel we were informed that the consultant had full administrative access to the information system. In addition, the consultant hired for these tasks is currently the treasurer of a local municipality which could create a situation in which there is a conflict of interest.

County of Newaygo, Michigan

Current Year Comments

Recommendation

We recommend the County review the contractor's system privileges and make the appropriate changes to maintain the desirable level of control. In doing so, the County should consider the following:

- 1. Outside contractors should not be permitted to program applications or make modifications to programs unless a comprehensive review of their work is made by a qualified employee of the County.
- 2. Outside contractors should not be permitted to post journal entries or have any posting capabilities. Recommendations related to corrections of errors should be recorded and reviewed by County employees that have authorization to perform such functions.
- 3. Outside contractors should not be permitted to operate the computer in a "hands on" mode unless rigorous safeguards are installed (e.g., a dedicated machine, a copy of the system and program pack being utilized, no live files being used for tests, review of files utilized in tests and output from tests).

Grant Reimbursement Requests

During our testing related to federal grant reimbursement procedures, it was noted the County is not submitting grants related to the Department of Homeland Security in a timely manner. One grant reimbursement request that was reviewed was submitted in November of 2005, but recorded as revenue at September 30, 2005. While the reimbursement amount was not material to the financial statements, the untimely submission of reimbursement requests has a negative effect on cash flows.

Recommendation

We recommend the County prepare and submit reimbursement requests for grant monies on a timely basis.

County of Newaygo, Michigan

Current Year Comments

Cash - Pooled Bank Account

During our year end audit of the County's records, we noted that the County has numerous bank accounts in which cash balances are maintained. Several funds of the County have at least two bank accounts that require a significant number of cash transfers throughout the year and must be reconciled on a monthly basis. The significant cash transfers increase the potential that errors or misstatements may occur and not be detected timely.

Recommendation

We recommend that the County consider utilizing a pooled bank account for the County's cash accounts. A pooled bank account would eliminate the need for transfers between bank accounts and reduce the potential for errors and misstatements. In addition, the County would be required to reconcile only one cash account per month.

Fraud Prevention Policy

The American Institute of Certified Public Accountants (AICPA) has issued Statement on Auditing Standards No. 99, Consideration of Fraud in a Financial Statement Audit. This statement requires the independent auditor to perform additional procedures that are intended to reduce the risk that material fraud may go undetected. You should be aware that, while these additional procedures may reduce the risk of material undetected fraud, they do not eliminate risk. It is management's responsibility to design and implement programs and controls to prevent, deter, and detect fraud. During our audit of the Company, we noted that there was no documented fraud prevention policy in place.

Recommendation

We recommend that management establish a written fraud prevention policy. We also recommend that management review current policies and procedures to determine where fraud risk may exist and establish appropriate controls so that opportunities to commit fraud can be significantly reduced.